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TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS FOR FISCAL YEAR 1995

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Treasury, Postal Service, and Gener...

HEARING

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

SECOND SESSION

SUBCOMMITTEE ON THE TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS

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C. WILLIAM SMITH, ELIZABETH A. PHILLIPS, DANIEL A. CANTU, and JENNIFER MUMMERT, *Staff Assistants*

PART 7

U.S. POSTAL SERVICE OPERATIONS

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TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS FOR 1995

THURSDAY, JULY 28, 1994.

U.S. POSTAL SERVICE OPERATIONS

WITNESSES

MARVIN RUNYON, POSTMASTER GENERAL, U.S. POSTAL SERVICE
HENRY PANKEY, VICE PRESIDENT, MID-ATLANTIC AREA OPERATIONS
PAT DONAHOE, DISTRICT MANAGER, WASHINGTON, DC
RICH RUDEZ, DISTRICT MANAGER, BALTIMORE, MARYLAND
EUGENE CARTER, MANAGER, PROCESSING AND DISTRIBUTION OPERATIONS IN NORTHERN VIRGINIA
VINCENT R. SOMBROTTO, PRESIDENT, NATIONAL ASSOCIATION OF LETTER CARRIERS
MOE BILLER, PRESIDENT, AMERICAN POSTAL WORKERS UNION
ESTHER NICHOLS, LEAGUE OF WOMEN'S VOTERS
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ADMIRAL KENNETH HAYNES, VIRGINIA RESIDENT

CHAIRMAN HOYER'S OPENING STATEMENT

Mr. HOYER. I would like to call this meeting of the Treasury-Postal Committee to order.

We have invited a number of my colleagues from the Washington metropolitan region, most of whom sit on the Post Office and Civil Service Committee. As well, Senator Paul Sarbanes, the senior Senator from my State, requested an opportunity to participate and has joined in my request for this hearing.

I appreciate very much, Postmaster General Runyon, you accommodating your schedule to be here on relatively short notice. I welcome you and any other representatives of the Postal Department.

I will begin with a brief review of the recent history of Postal Service operations in this area.

In 1991, a Postal Service survey rated service in the Washington, D.C. area as the worst in the country. Let me repeat, that was a 1991 study. I immediately met with Tony Frank, then the Postmaster General, and asked him to draft a plan to improve service. Conditions did improve for awhile.

In December of 1993, General Runyon, you and I visited southern Maryland and I appreciated your coming. We listened to customers and you promised to address the problems and improve service.

A new survey, completed on May 27, 1994, rated Washington, D.C., and southern Maryland as having the worst first class performance in the Nation with 61 percent on time as compared to 82 percent nationwide. That same survey showed that 70 percent of the Washington customers were satisfied with their postal service as opposed to 85 percent nationwide. This was on-time performance, 21 percent below the national average, and customers satisfaction, 15 percent below the national average.

General, as I have told you, and I know others have told you, this is not acceptable. We have not improved since 1991 in a marked way. I have received, and I am sure you have as well, General, and I am sure that every Member sitting at this table can say the same thing, literally hundreds of calls from constituents since the press conference held last Thursday.

One gentleman, Leonard Flemming of Berwyn Heights, and he is here today in the audience, showed me this newspaper. It is in bad shape, as you can see. It is the Oxford Ledger to show how the Postal Service can sometimes treat its mail.

Now, if it is an anomaly, it is not a problem, and, very frankly, I want you to know that I believe this is an anomaly, as a mail receiver myself. But even postal workers have called to tell me about inadequate training, slipshod management, and workers getting away with shoddy performance.

Last Thursday, I said that I would conduct an informal test of the local mail, sending 22 letters to constituents that should have been received within two days. We mailed them Thursday afternoon. So it was our perception that meeting the Postal Department's criteria would have been Saturday delivery. Forty-five percent took longer to reach their destinations. Three of those 22 letters have still not been received.

Between May 17 and 19, Postal Service inspectors paid an unannounced visit to several processing centers in this area. Allow me to quote from some of their findings: "The Washington, D.C., processing and distribution center had large volumes of first class mail in the government mail section with dates as old as February 1994."

"In southern Maryland, 2.3 million pieces of third class letters were found stored in trailers on the PDC yard; 230,000 pieces of second class news were also on trailers."

Also quoting, "Based on our observations," this is the report, "we estimate approximately 75 percent of all the mail at southern Maryland PDC was delayed. We estimate again, 75 percent delayed."

General, I know that is not acceptable to you. It is clearly and absolutely not acceptable not only to anybody that sits at this table representing the Washington metropolitan region but to anyone representing any area of the country. It is clearly not acceptable to people who rely on us every day to deliver checks, pay bills, correspond with one another, and do business.

The Washington Post on July 24 reported that more than 200 postal employees worked overtime last weekend. I was pleased to see that and suspect it was in either anticipation of this hearing or a result of the Thursday press conference. I don't have confirmation of that, but that is my suspicion. And I am pleased to see that

response. They were working to clear backlogs and restore consumer confidence. This occurred two days after our press conference and days before this hearing. I hope that overtime work, however, did not occur just because of the press conference or this hearing.

Mr. Runyon, since you have been serving as Postmaster General, you have focused on cutting overhead, reducing operating costs, restructuring staff, and enhancing automation. While these are clearly necessary and worthwhile goals, the manner in which these efforts have been implemented may have left the Postal Service in a state of unpreparedness. I don't know that to be the case. That is obviously one suspicion. We need to examine that.

I stress to you, sir, and the public, that these problems first came to my attention in 1991, long before the downsizing occurred, so it may not be downsizing alone.

But we have had departures of experienced operational personnel, some 47,000, two reorganizations in the past two years which may have led to a lack of continuity, as well as uncertainty in organizational relationships. This may be compounded by the concurrent introduction of automated systems, and significant numbers of inexperienced personnel in the mail handling process without adequate training.

Morale appears to be very low. Quoting again from the May report of the inspectors, "At Aspen Hill, general housekeeping was unsatisfactory. Empty soda cans were found everywhere, sacks were not stowed, lobby counters were dirty, trash cans throughout the office were almost full."

The general feeling among carrier supervisors, again, quoting from this report, is, "the customer service data reporting system is not used as an information source, rather, it is used to, "get supervisors."

Now, I am not going to go into more detail because I want my colleagues to also have an opportunity to say a few comments, but, General, we want to hear from you and I know all my colleagues could take a similar time frame, but I am going to have to be disciplined in our apportionment of time.

I, at this time, am going to recognize Mr. Lightfoot, the Ranking Member of our committee.

Mr. Lightfoot's Opening Statement

Mr. Lightfoot. Thank you, Mr. Chairman.

Thank you for coming today, Mr. Runyon. A lot of the attention obviously has been devoted to mail delivery in the past couple of weeks, and attention that I believe is warranted in light of the Chicago situation and other things as well, which we discussed in another hearing.

I have personally been concerned about mail delivery for some time. The Postal Service delivery standards for first class mail are not being met and I don't believe have been met for some time. At the last hearing, I provided you with some examples of the problems encountered by some of my constituents back in Iowa, during your last appearance.

I have yet to really have satisfactory answers to those problems. I was told what the services and delivery standards should be, but

those standards I don't think are being met as yet; responses were received but do not say why mail wasn't being delivered in the time frame in which it was supposed to be delivered, nor was I told what would be done to correct the problem, and I think that is kind of what we would like to get to today.

I am also convinced, as are many of my colleagues, this is not the work of individual mail carriers or sorters. We have letter carriers and postmasters in my part of the country at least, and I am sure elsewhere, that really try to do their job and do it well, but I think the system is causing them a lot of problems that they have to function in. I think it is a legitimate concern when people wonder why a letter from my hometown of Shenandoah to Clarinda, which is 18 miles away, can take up to seven or eight days to get delivered, why it must first go to Des Moines or Omaha which is 125 miles away, and of course the time delay stretches out.

The problems that we are seeing I think are system-wide; delivery apparently is poor nationwide. Rarely do we get first class mail from my district coming in our office here in less than a week, and I am sure that it takes at least that long for the mail we send out to get back to them. A lot of times you go to a town meeting and someone says, gee, I sent you a letter, and it used to be, you know, you kind of thought, well, maybe it got lost somewhere in our shuffle but we go back and check the computer and it isn't there and then it shows up four, five, six, seven, eight days later.

It is my understanding that your standard for delivery of first class mail outside of 600 miles is three days. I don't know the last time we have seen a letter make it in three days over that limit, or even locally. As result, I think most people think the standards are pretty much a joke, and what we are finding I think with faxes and computers is that people just don't want to wait a week for their important communications to go through. Public distrust of government in general is already high. There is not a large reservoir of goodwill I think we can count on with talk of postal rate increases, slow delivery, mail stashed in warehouses and on and on and on. It is destroying people's confidence in government. It is becoming increasingly difficult to defend the private express statutes under these conditions and that, I am sure, will be before our committee here.

Like anything, I guess, you know, you hear the complaints, you listen, you try to be responsive to them. When they happen to you personally it tends to take on a little different approach. This past month I have had two bills for which I have been charged a service fee because I never received the bill. I went back to the company and they had their date when they had sent the bill. They waived the charge because they said, oh, this is not uncommon, we get a lot of calls from our customers that they aren't receiving our billing. So I don't know what it is costing private industry and costing people in time of doing things twice, service charges that are tacked on, interest that is charged on bills, people that may even get something on their credit record that says they are slow pay when, in fact, the check was in the mail. So I think it is a very serious situation and we have reached a point that I think we have to find some answers and, quite frankly, we want to try and help you on this committee to get to those solutions. And I have some

questions I would like to ask later, and I appreciate all three of you gentlemen coming today.

Mr. HOYER. Thank you, Mr. Lightfoot.

We are going to be very brief now, but I want the other Members, particularly local Members, to have the opportunity to make a brief statement and their full statements will be included in the record.

Mr. Visclosky.

Mr. VISCLOSKY. I have no statement, Mr. Chairman.

Mr. HOYER. Mr. Wolf.

MR. WOLF'S OPENING STATEMENT

Mr. WOLF. Thank you, Mr. Chairman.

Mr. Runyon, I want to welcome you. We had the same problem in Northern Virginia in 1988–1989. This is a GAO report that I asked for, and in 1989 it said, progress made in restoring mail service in Northern Virginia. I will just read two things:

The conclusions of the GAO report then said, "The demand for mail delivery services in Northern Virginia will not reverse its growth trend during the next decade. The Postal Service must make provisions to handle this growth through realistic planning and commitment of sufficient resources." And that is the conclusion of the overall GAO report.

I would urge you to take a look at this because I think we worked it out then and now it is back. The comments from the Postmaster, and of course it was said the Postmaster General said, actions taken are proving effective and emphasize that the situation leading to the service deterioration identified in our report will not be allowed to reoccur. Obviously it has, and you might want to look at this as to what was done.

I think the morale among the employees—I had office hours several months ago, and the number—and I hold them in post offices—and the number of postal employees who came to me publicly and privately was very, very high, higher than it has ever been.

And lastly, we will have some questions to ask about different things, but we are getting the same type of complaints from across Northern Virginia, both coming out of the Merrifield facility and now the new Dulles facility which was constructed that people thought would really remove the burden. The problem has actually increased since the Dulles facility has been opened.

I want to welcome you.

Mr. HOYER. Mr. Bevill.

Mr. BEVILL. I have no questions.

Mr. HOYER. Mr. Istook.

MR. ISTOOK'S OPENING STATEMENT

Mr. ISTOOK. Thank you, Mr. Chairman.

Mr. Runyon, I am happy you are here, although not for the reason that you are here. I hope that one thing that you will explore in your testimony and that of others is the issue of whether the United States Postal Service should continue to have the monopoly which it is guaranteed by Federal law over many aspects of deliver-

ing mail and other communications. I think this is at the heart of much of the problem, and you have a service that is immune from much competition. We had at prior hearings some discussions with you about businesses feeling they were being raided by the Postal Service and fined if they were using alternative delivery methods. I think we need to raise the issue of; "does the Postal Service deserve a monopoly?"

I would address your attention to an article that is in today's Wall Street Journal on the first page of the second section, talking about the Dutch mail service hoping to deliver the world's mail, talking about an international movement to have more private enterprise involvement in delivering communications and an end internationally to monopolies that have been granted by governments to their services. The article finds that the monopolies just cannot keep pace and they are hamstrung with their own regulations, with their own personnel policies, with their own equipment problems, whatever it may be. I certainly hope that the issue of whether the U.S. Postal Service should continue to have the Federal monopoly, which it does now, will be addressed as part of this hearing.

Thank you, Mr. Chairman.

Mr. HOYER. Thank you, Mr. Istook.

I am going to now recognize as a courtesy to the Senator, Senator Sarbanes.

MR. SARBANES' OPENING STATEMENT

Senator SARBANES. Well, Mr. Chairman, I want to thank you and your colleagues for this opportunity to participate in this very important hearing. When Americans think of the basic services they expect from government, I think mail delivery is clearly at the top of the list. In fact, it is listed right up at the top in the Constitution as a power of the Congress.

Regretfully, the recent audit of service in the Washington area gives our citizens every good reason to believe their government is not successfully performing this task, and I am very appreciative to you for holding this very timely hearing.

I will include my whole statement in the record. I just want to summarize a few points.

First of all, this is not the first time we have had a problem in this area. It has been an ongoing problem, so unfortunately, there is a pattern. We are very deeply concerned about that.

I have joined with Congressman Hoyer previously in pressing the Postal Service for improvements. During the winter of 1990 to 1991, only 55 percent of the first class letters mailed in the counties that surround Washington were meeting the delivery standards.

I also expressed deep concern at the time of the Postal Service reorganization. I want to be very clear. In my view, most employees of the Postal Service try very hard to do a good job. However, as in any operation, we must be careful that the cry for economy does not lead to such severe staffing cuts that productivity actually declines.

You know, technology is a wonderful thing but if it is not properly phased in and properly incorporated into the workings of the

system, it, in fact, doesn't advance you, it sets you back, at least for a period of time, and in my view we must continually review the reorganization to determine whether those changes contribute to the disturbing situation we have today.

Now, there is a very good article in today's Washington Post, which I assume the Postmaster General has seen already, entitled, "Lost In the Mail: Trust," and it then goes on to say that increasingly area customers are seeking alternatives to costly postal delays. Of course what it does is it shows the impact of this on real people. Delays in misplaced mail means bills are paid late resulting in fees and finance charges. Listen to this. Lost mail literally has left some residents in the dark after their electrical service was cut off because bill payments didn't make it to the utility. Businesses find it increasingly difficult to conduct their activities. In fact, at the lead here is a businessman who shifted his work elsewhere.

So I just close by making this observation, we have a very good postal system. In fact, the U.S. postage stamps are the cheapest of any of the G–7 countries. You can send a letter to anywhere—put a stamp on and reach 124 million addresses across a continental nation. That is no small achievement and we tend to take it for granted. However, these delivery times must be shortened. The Postal Service has to renew and strengthen its commitment, and I commend you and the subcommittee for holding these very important hearings.

Mr. HOYER. Thank you.

[Senator Sarbanes prepared statement follows:]

STATEMENT OF SENATOR PAUL S. SARBANES

BEFORE THE

SUBCOMMITTEE ON TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT,

HOUSE COMMITTEE ON APPROPRIATIONS

July 28, 1994

Mr. Chairman, thank you for the opportunity to participate in this important hearing. When Americans think of basic services they expect from their government, mail delivery is clearly near the top of the list. Regretfully, the recent audit of service in the Washington area gives citizens reason to believe that their government is not successfully performing this task and I thank you for holding this very timely hearing.

The facts, according to a May Postal Inspection Service report, are shocking. In the Capital District, 800,000 first-class letters were found sitting in a processing room, allegedly because a machine used to band mail had been inoperable for a few days. After their review, the postal inspectors estimated that 75 percent of all mail at the Southern Maryland Processing and Distribution Center was delayed. Just as surprising was the discovery of a large volume of second and third class mail stored in trailers at Capitol Heights including more than 2 million third-class letters.

Regretfully, this is not the first time that delays have occurred in the Maryland suburbs. I was pleased to work with the Chairman in 1991 in pressing the Postal Service for improvements after learning that this region had the worst rate of on-time delivery in the Nation. During the winter of 1990 to 1991, only 55.9 percent of the first class letters mailed in the counties that surround Washington that were supposed to arrive overnight actually were delivered the next day.

I again expressed concerns during the 1992 Postal Service reorganization. In my view, most employees of the Postal Service try very hard to do a good job. However, as in any operation, we must be careful that the cry for economy does not lead to such severe staffing cuts that productivity actually declines. I encourage the Subcommittee to continue reviewing the reorganization to determine if those changes have contributed to the disturbing situation that we are reviewing today.

While I cited findings for just the Capital District, similar problems have occurred throughout the Washington area and the State of Maryland.

The impact on local residents is troublesome. Delays and misplaced mail mean bills are paid late, resulting in fees and finance charges for consumers who made a good faith effort to mail payments.

For businesses, delays mean late payments, cancelled orders, and missed opportunities that can affect the bottom line. This is especially tough on small businesses who are struggling to get started.

But, Mr. Chairman, this is not all about numbers and bottom lines. We cannot overlook the impact of these Postal Service problems on shut-ins and senior citizens who eagerly await their mail delivery each day. And who would want their father or mother's birthday card to be a few days late due to slow mail delivery?

These delays are unacceptable. The people of the Washington area must have improved service and I was pleased to join with the Chairman in requesting a full investigation by the General Accounting Office of what has gone wrong and what can be done to address the recurring problems. I look forward to joining you for a tour of the Capitol Heights processing facility where many of the recent problems have occurred. I am also pleased to be participating in today's hearing.

We must not overlook the fact that the United States has one of the best postal systems in the world. Our postage stamps are the cheapest of the G-7 countries yet allow us to reach 124 million addresses around our Nation.

However, delivery times can and must be shortened. The Postal Service must renew and strengthen its commitment to serving the people of Maryland and the Washington area. We must strive to make postal delivery in the Nation's capital a model for the rest of the country.

I commend you and the Subcommittee for holding this hearing and I look forward to working with you in the months to come as we work to resolve these critical issues.

Mr. HOYER. Ms. Norton.

MS. NORTON'S OPENING STATEMENT

Ms. NORTON. Thank you very much, Mr. Chairman. I am going to ask that my full statement be put in the record while I make only one or two points.

I want to thank you, Chairman Hoyer, for holding this hearing so quickly and for inviting the regional Members who have been most affected. I believe that you and your committee and we on our committee in Post Office and Civil Service have shown understanding and patience with the Postal Service which indeed is undergoing the most extraordinary transformation in its history as it makes—converts to accept technological change and meets increasing competition from the private sector.

I particularly welcome today's hearing to hear officially from you Postmaster General Runyon because the anecdotal responses we have received have been so unsatisfying. For example, blaming service on the weather. This is an excuse the Postal Service should blush to offer, that is, if it is the same Postal Service with the motto, "neither rain, snow, sleet, hail or dark of night shall keep these riders from their appointed rounds."

The problems that occur—that concern us—have been occurring during winter, spring, summer, and fall. They are systematic, thorough-going, nationwide, and long-standing. Until the Postal Service accepts full responsibility and cultivates a deeper problem solving attitude and approach, these problems will persist.

I want to especially welcome Postmaster General Runyon, Vincent Sombrotto, and the other witnesses who have agreed to come on such short notice.

[Ms. Norton's prepared statement follows:]

ONE HUNDRED THIRD CONGRESS

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STATEMENT OF CONGRESSWOMAN ELEANOR HOLMES NORTON, CHAIR SUBCOMMITTEE ON COMPENSATION AND EMPLOYEE BENEFITS BEFORE THE TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT SUBCOMMITTEE HEARING ON POSTAL SERVICE DELIVERY PROBLEMS IN THE NATIONAL CAPITAL AREA

July 28, 1994

Chairman Hoyer deserves both thanks and applause for proceeding so quickly on an issue that can no longer wait. Each of us in this region has pursued complaints from constituents and postal employees alike regarding problems in postal service and operations. Moreover, both the Subcommittee on Treasury, Postal Service, and General Government and the Committee on Post Office and Civil Service have had hearings on the quality of service to the public. At the same time, we have tried to have patience and understanding with the problems a huge corporation like the Postal Service faces when in the throes of fundamental changes such as the technological change and increasing competition which have placed unprecedented pressure on our oldest government institution.

There is a time, however, when it is both appropriate and necessary for patience to run out. That time is now. We begin without preconceived notions but with a demand for honest explanation and probing problem solving. What is clear is that none of the anecdotal responses of postal personnel have been satisfying, especially blaming poor service on the weather. This is an excuse the Postal Service should blush to offer, that is if it is the same Postal Service with the motto "neither rain, snow, sleet, hail or dark of night shall keep these riders from their appointed rounds." The problems that concern us have been occurring during the winter, spring, summer, and fall. They are systematic, thorough-going, nationwide, and longstanding. Until the Postal Service accepts full responsibility and cultivates a deeper problem solving attitude and approach, these problems will persist.

Until our hearings and investigations have weighed all the evidence, we cannot understand the causes, much less the remedies that must be embraced. However, I have hypothesized that first-come/first-serve buyouts did not serve the cause of smooth mail delivery well. Out of the 45,000 buyouts offered by the Postal Service in 1992, only 18,000 were offers within the 30,000 positions the Postal Service had targeted as positions it needed to abolish. This hypothesis and other suspected causes, of course, must be demonstrated, not assumed. The burden of proof, however, is on the Postal Service.

What does seem clear is that Postmaster General Runyon and Postal Service leadership must aggressively increase employee involvement in solving the problems. For over a decade now, major private-sector employers, including some of the competition of the Postal Service, have worked with great success to break down the barriers between supervisors and employees, bringing employees into decisions that affect the quality and the delivery of their product. Those efforts have yielded extraordinary increases in productivity and profit-sharing for workers in many companies. Postal Service managers may have something to learn from the private-sector example.

I want to sincerely welcome Postmaster General Runyon, National Association of Letter Carriers President, Vincent Sombrotto, and the other witnesses who have agreed to testify today on short notice and to thank them all.

Mr. HOYER. Mr. Wynn.

MR. WYNN'S OPENING STATEMENT

Mr. WYNN. Thank you, Mr. Chairman.

I would like to thank you and Ranking Republican Mr. Jim Lightfoot for allowing me to take part in these hearings. I want to commend you also for holding these hearings in such a timely manner and add that next week the Post Office and Civil Service Committee will also be holding hearings on this matter.

I represent over 6,000 postal employees. I have talked with them on a frequent basis, and I am convinced that the problem is not the employees. The problem is management.

On April 5, this year, I met with Postal Service employees to talk about poor service. They told me that it was due to the bad weather. I fully understand that a surprise snowstorm may delay mail but it doesn't explain why Buffalo, New York, Billings, Montana, and Portland, Oregon, rank among the top 10 cities in terms of delivery. It doesn't explain why the service in this area is so poor.

Let me share a couple of anecdotes that I heard that really I find quite disturbing. Businesses have talked to me about giving customers an extended period of time to pay bills because the mail is delayed and unpredictable; notices recently mailed from my office concerning local town meetings were forwarded to wrong addresses; I was recently contacted by local officials in one of our towns stating that a notice about an important town meeting on a water project was received two weeks late; town hall meeting notices delayed; bills delayed; social security checks three or four days late; Federal employment—employee paychecks three to four days late.

These are just a few of the complaints that I have heard, and I find very disturbing.

I found the situation so disturbing, Mr. Chairman, on June 22 I wrote to Mr. Sam Winters, Chairman of the U.S. Postal Service Board of Governors, calling for the resignation of Mr. Runyon. I would ask unanimous consent that that letter be included as part of this record.

I recounted in that letter the anecdotal information I have shared with you today, but I would like to focus for a minute on some of the specific policies that I think led to those situations.

These policies include a new postal logo proposal resulting in a $6 million reduction in the Postal Service appropriation for 1995, a botched plan to rid the Postal Service of excess middle managers, which in fact resulted in the retirement of several thousand highly skilled workers.

A 1992 restructuring or RIF plan that began with 773,000 postal employees and ended up with 778,000 postal employees; a $2.4 billion deficit; an astounding number of temporary employees; the failure to promote minorities to decision-making positions; a failed automation plan, and it goes on and on.

One critical factor I would like to conclude with, Mr. Chairman, this so-called reorganization was designed to rid the Postal Service of what some thought was bloated bureaucracy. In point of fact, twice as many front line people left the Postal Service as did mid managers and I think that has a lot to do with the problems we have. Mr. Runyon promised that the Washington, D.C., area's Post-

al Service would be a show place. Quite frankly, Mr. Chairman, I think it is a circus.

[Mr. Wynn's prepared statement follows:]

STATEMENT OF THE HONORABLE ALBERT R. WYNN (MD.)
BEFORE THE APPROPRIATIONS SUBCOMMITTEE ON TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT
July 28 ,1994

Mr. Chairman, thank you and Ranking Republican Jim Lightfoot for allowing me to take part in this hearing and I want to commend you on holding this hearing in such a timely manner. Clearly, you recognize the seriousness of this matter. Next the Post Office and Civil Service Committee will hold further hearings on this matter.

I represent nearly 6,000 postal workers in the fourth congressional district of Maryland, among the largest number of postal employees of any Member of the House of Representatives. Based on numerous conversations with these employees I am convinced that the problems in the post service are not as a

result of the employees, as some Americans may assume, the problem clearly lies directly with management.

Mr. Chairman on April 5, 1994 I met with Postal Service officials to talk about poor mail delivery in the 4th Congressional District. At that meeting postal officials told me that due to the bad whether this area experience during the winter, mail was delayed. I fully understand that a bad snowstorm can delay mail, but that doesn't explain why Buffalo, New York; Billings, Montana, and Portland, Oregon ranked among the top 10 cities in on-time delivery. Nor does it explain why the postal service in this area is so poor in the spring, summer or fall. And as you know Mr. Chairman these problems are not new to the Prince George's County

area. For the past 5 to 6 years the Southern Maryland area has ranked among the lowest in on-time delivery and overall postal service.

With your indulgence I would like to cite some of the problems I have heard about from constituents or personally experienced with the Postal Service over the past nineteen months:

- businesses have told me that they are giving customers extended periods of time to pay bills because the mail is often delayed and unpredictable;

- some of the notices recently mailed from my Capitol Hill office announcing a local town meeting

in Landover, Maryland were forwarded to Mitchellville, Md., causing some of my constituents to miss the meeting;

- I was recently contacted by local officials in Takoma Park, Maryland stating that a recent notice on an important town meeting on a water project in the area was received my residents two weeks late;

- town hall meeting notices sent to my constituents for a March 11, 1993 meeting were received by a number of constituents in April 1993;

- notices that I have sent to constituents have been incorrectly returned by the Postal Service when

they should have been forwarded to the correct address;

I have mailed material from my Washington office to my Oxon Hill office that was correctly addressed that has been returned to being stating that "no such address exist";

a letter that I mailed from my office to a constituent on October 29, 1993 was just recently returned to my office;

citizens in Suitland, Maryland, an area which has a large number of elderly citizens, have complained that they received their Social Security checks 3 to 4 days late;

(5)

- a number of federal employees throughout by district have complained that they receive their federal pay checks 3 to 4 days late;

These are only a few of the complaints that I have brought to the attention of postal officials.

As a result of my meeting, which by the way was not the first one I had with postal officials, I asked them to present me with an overview of the problems in the 4th district and I also asked for monthly reports on ways to remedy these problems. I am still awaiting the first report from postal officials.

Mr. Chairman the recent unannounced inspection and

the recent study by Price Waterhouse is one that members from this area have been expecting for sometime. We did not need to get this information from a study or inspection. We can base our own study on the amount of calls, letters and personal meetings we have had with constituents complaining about slow mail delivery and also with current and former employees that have an endless list of complaints regarding the postal service.

Having questioned Mr. Runyon a number of times before the House Post Office and Civil Service Committee and receiving no satisfaction and having attempted to work with his officials to correct mail delivery in my congressional district, I have reached the point of utter frustration.

(7)

On June 22, 1994 I wrote a letter to Mr. Sam Winters, Chairman of the U.S. Postal Service Board of Governors calling for the resignation of Mr. Runyon, a letter that I would ask unanimous consent be included as part of the record. In that letter I recounted the anecdotal information I shared with you today. The 4th Congressional District was ranked among the lowest in mail delivery and service prior to Mr. Runyon's arrival and under his direction has finally hit the bottom.

I stated in that letter and I reiterate here today that service should be the number one priority of the U.S. Postal Service. In that regard I believe we need to concentrate on the failed management policies of Mr. Runyon, including, issuing a new postal logo, which recently resulted in $6 million reduction in the Postal

Service's appropriation for FY 1995; a botched plan to rid the Postal Service of excess middle managers, which, in fact, resulted in the retirement of several thousand highly skilled workers; a 1992 restructuring or RIF as it has been identified, that began with 773,000 postal employees and ended with 778,000 postal employees, keeping in mind that the intent was to cut the Postal service of 40,000 employees; the looming possibility of two rate increase in the next two years; a $2.4 billion deficit; an astounding number of temporary employees to fill the positions of retired workers; the failure to promote minorities to decision making positions; and an automation plan that has barely gotten off of the ground. These failed management decisions have brought the morale of Postal worker to its lowest levels in the history of the

Postal Service, which have inturn, in my view, have resulted in poor service and delivery.

If I can let me touch on the so-called reorganization plan. It is my understanding that Mr. Runyon designed the plan to get 30,000 workers to quit, with the hope that as many as 40,000 would leave. Of these 30,000 to 40,000 workers, 40 percent of them were to be managers. This plan was applauded by many in Congress who felt that the Postal Service had become a bloated bureaucracy of middle managers that were not moving the mail, while drawing healthy salaries. In an attempt to sway people to leave, Mr. Runyon offered a very generous six-month salary. What Mr. Runyon underestimated was the dissatisfaction of those employees that actually handled the mail.

(10)

After all was said and done over 47,800 employees had quit. 16,882 of those were clerks and nearly 12,000 were carriers. Therefore, those people that were actually responsible for handling and delivering the mail were actually the ones that ended up leaving. And of the 40% of mid-managers that were suppose to leave, only 13,800 left.

In hindsight Mr. Runyon applied a meat cleaver to the situation when a simple carving knife would have been sufficient.

To make up for these lost employees, the Postal Service offered a record amount of overtime to current employees, whose moral was extremely low because they did not know if their jobs were next on the chopping block.

(11)

To cap everything off the Postal Service, which was suppose to cut its 1992 workforce of 773,700 by 40% ended up with 779,200 employees in 1994, an increase of 5,500 employees.

Unfortunately, under the direction of Mr. Runyon the Postal Service has continued on a downward spiral with no sign of stopping.

I would like to tell the subcommittee that as a member of the House Post Office and Civil Service Committee I have had the opportunity to hear Mr. Runyon testify. His solutions to correcting the problems of the Postal Service were inadequate when he delivered them to the Committee and they have proven ineffective.

Mr. Runyon promised members ofhe Washington

Metropolitan area that postal service in this area should be a "showplace for the 40,000 post offices in the country". Well Mr. Runyon we do not have a showplace, we have a dog show.

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TELEPHONE
(301) 608-3900

June 28, 1994

RECEIVED
JUL 5 199
WASHINGTON OFFICE
ALBERT R. WYNN MC

The Honorable Marvin Runyon
The Postmaster General
Headquarters, United States Postal Service
475 L'Enfant Plaza, S.W.
Washington, D. C. 20260

Dear Mr. Runyon:

This letter is in protest of the increasingly poor service being rendered in the day-to-day delivery of mail. This business is located in a ten-story building in downtown Silver Spring, Maryland. Tenants in this building are serviced by the Post Office with mail pick-ups posted on the mail receptacles in the lobby as 10:00 A.M. and 5:00 P.M., daily.

There have been several instances in the last month, where letters containing checks, mailed from this location, never made it to their destination. An envelope containing payroll checks mailed on Friday, June 24, 1994 did not arrive in Richmond, Virginia for Monday, June 27, 1994. Early in June a check which was destined for a local bank for a car payment never arrived, and a duplicate check had to be written and hand-delivered in order to avoid a late penalty.

Several times in the last month, we have arrived in the building in the morning, to find large amounts of mail on the floor around the mail receptacle, which apparently were not picked up the previous evening. In fact, when we leave the building after 5:00 P.M., we have sometimes noticed mail still sitting there. This, alone, could account for late delivery of some of our mail. We do realize that this mail could have been left there after the designated pick-up time, but we do not believe this to be the case. We are well aware of the deadline for delivery of our out-going mail to the pick-up point, and believe the other building tenants are also cognizant of the deadline. We do not, however, believe that our timely pick-up is the only problem. Something happens to it after it leaves here to slow it down, or lose it!

While our main concern at this time is the timely delivery of our out-going mail, we would like to note that we also have some problems with the timely arrival of our incoming mail. It is important that our mail arrive before 12:30 P.M. in order to process incoming checks for bank deposit. When we have a substitute mail carrier, this cannot be counted on. Also, there have been occasions when we have received no mail, and often we must return mis-directed mail.

The Honorable Marvin Runyon
The Postmaster General
June 28, 1994
Page 2

We are a CPA firm, dealing primarily with tax concerns. During the three months prior to the April 15 tax deadline, when our office is open on Saturday mornings, receiving our mail with it's important tax documents is difficult, if not impossible. Our regular carrier has a security key to the building, and therefore can deliver mail, even when the main doors are locked; but a substitute cannot enter the building, and we thus receive no mail. Also, even with our regular mail carrier, should the mail arrive later than 1:00 P.M. on a Saturday, our own doors are locked and the mail cannot be delivered.

In general, the mail service is poor, and getting worse, and we would appreciate your looking into these matters at your earliest convenience.

Very truly yours,

Richard L. Philipson, CPA

RLP:saf

cc: Congressman Albert Wynn

Eastover Shopping Center
INDIAN HEAD HWY. AT DISTRICT LINE
OXON HILL, MARYLAND

MAILING ADDRESS:
P. O. BOX 1120
FORESTVILLE, MD. 20753
DELIVERY ADDRESS:
3136 DONNELL DRIVE
FORESTVILLE, MD. 20747
TELEPHONE (301) 736-6717
FAX (301) 736-1748
H. E. TURLINGTON, JR. MANAGER

Penn Mar Shopping Center
PENN. AVE. AT DONNELL DRIVE
FORESTVILLE, MARYLAND

July 19, 1994

RECEIVED
JUL 25 1994
WASHINGTON OFFICE
ALBERT R. WYNN, MC

U.S. House of Representatives
District 4
423 Cannon House Office Building
Washington, DC 20515
Attn: Rep. Albert Wynn

Dear Congressman:

I am enclosing a copy of an envelop mailed from Linconton N.C. on Friday, July 1, 1994. We received this at our Post Office Box #471120 Forestville, Maryland 20753 on Tuesday a.m. July 19, 1994.

This envelop contained our Payroll for the period ending 7/8/94.

I am sure you would not tolerate your pay check being this late, also this is not the first time we have had delays in our mail.

If I may be of any help to you in a solution to this terrible mail No service please let me know.

Very truly yours:

H.E. Turlington, Jr.
Manager

ALBERT R. WYNN
4TH DISTRICT MARYLAND

COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

COMMITTEE ON FOREIGN AFFAIRS

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515-2004

WASHINGTON OFFICE
☐ 423 CANNON HOUSE OFFICE BLDG
WASHINGTON D.C. 20515-2004
(202) 225-8699

DISTRICT OFFICES
☐ 8700 CENTRAL AVENUE #307
LANDOVER, MD 20785
(301) 350-5055

☐ 8801 GEORGIA AVENUE #201
SILVER SPRING, MD 20910
(301) 588-7328

☐ 6009 OXON HILL ROAD #208
OXON HILL, MD 20745
(301) 839-5670

June 22, 1994

Mr. Sam Winters
Chairman
U.S. Postal Service
Board of Governors
475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1000

Dear Mr. Winters:

It is with much regret that I write this letter to convey my concerns for the operation of the U.S. Postal Service under the direction of Postmaster General Marvin T. Runyon.

Prior to Mr. Runyon's arrival at the Postal Service, the Washington Metropolitan area, which encompasses my 4th Congressional District of Maryland, was ranked among the poorest in mail delivery and service. Although we were told significant improvements would be forthcoming, since Mr. Runyon has taken office the service and delivery in this area has remained poor with no signs of improvement in the near future.

I have attempted to work with local postal officials in my area to address the concerns of my constituents and resisted opportunities to criticize Mr. Runyon publicly on the operation of the Postal Service. Unfortunately, I cannot continue to stand by and see the second largest agency in the federal government rack up deficits of $2 billion and continue to provide poor service to the millions of customers that depend on prompt delivery of their mail whether the conditions are rain, snow, sleet or hail.

While service should be the number one priority of the Postal Service, Members of Congress have had to concentrate on the failed policies of Mr. Runyon, including, but not limited to, issuing a new postal logo, which recently resulted in a $6 million reduction in the Postal Service's appropriation for FY 1995; a botched plan to rid the Postal Service of mid-level managers, which resulted in the retirement of several thousand highly-skilled workers; the possibility of two rate increases in the next two years, despite the fact the Mr. Runyon knew the Postal Service was facing a deficit of nearly $2 billion; a dramatic increase in overtime; an astounding number of temporary employees to fill the positions of retired workers; the failure to promote minorities to decision

June 22, 1994
Page 2

making positions; and an automation plan that has barely gotten off of the ground. All of these management decisions have brought the morale of Postal workers to its lowest levels in the history of the Postal Service, which have inturn resulted in poor service and delivery.

Unfortunately, under the direction of Mr. Runyon the Postal Service has continued on a downward spiral with no sign of stopping. We cannot continue to let this agency, which has prided itself on providing top notch service, to continue along this road.

Therefore, I join former Board of Governor's Chairman Robert Setrakian in requesting that the Postal Board of Governors move immediately to remove Mr. Runyon as Postmaster General of the U.S. Postal Service.

As a member of the House Post Office and Civil Service Committee I have had an opportunity to hear Mr. Runyon testify. His solutions to correcting the problems of the Postal Service were inadequate when he delivered them to the Committee and they have proven to be ineffective. If the Board of Governors is serious about correcting the problems of the U.S. Postal Service they will act on my request for immediate removal of Mr. Runyon.

Sincerely,

Albert R. Wynn
Member of Congress

cc: Members, U.S. Postal Service
Board of Governors

Mr. HOYER. Ms. Byrne.

MS. BYRNE'S OPENING STATEMENT

Ms. BYRNE. Thank you, Mr. Chairman, and I would like to have my full statement put into the record.

Mr. HOYER. Without objection.

Ms. BYRNE. As a Member of Post Office and Civil Service, I have been working on these post office issues since I came to Congress about 18 months ago, and that includes visits to the Dulles facility, it includes talking to employees, managers, people who haven't got their mail, the same stories we have heard here at this table, and I will tell you, I have come to the conclusion that we have a corporate culture of denial in the post office.

People deny that there are problems. People deny that there is communication failure between workers and managers. People deny that date slips are changed on bags of mail to disguise delay. People deny that there are less than quality safety conditions in distributing facilities, and as a matter of fact, when I went out to the Dulles facility, I later learned that the reason there was no mail being delayed on the day that I was there, that it was shipped out to other facilities in order to make it look good.

The fact is, Mr. Runyon, it is time to not just look good, but to be good, and it seems to me that when managers are afraid to come to the upper levels of management and say, we have got a problem here, there is something in the corporate culture of the post office that is wrong that needs desperately to be fixed, and I am sure that you want to work not only with this committee but Post Office and Civil Service to make sure that happens, and I offer my services as a person who is involved with these postal issues to get this corporate culture of denial out of the way.

Thank you, Mr. Chairman.

Mr. HOYER. Thank you, Ms. Byrne.

Mrs. Morella.

MRS. MORELLA'S OPENING STATEMENT

Mrs. MORELLA. Thank you, Mr. Chairman, and I again appreciate the fact that you and Mr. Lightfoot have made this hearing possible; and as a Member of Post Office and Civil Service Committee, I will also be listening to you and getting follow-ups when we have our hearing next week with you, Mr. Runyon.

I have a statement that I would like to have included in the record and I will try to be very brief in the interest of time.

[Mrs. Morella's prepared statement follows:]

Mr. Chairman, I want to thank you for the invitation to attend this hearing on the postal service.

I believe that the individual and collective voices of the Members assembled at the dias will express our intense displeasure at the poor service rendered by the United States Postal Service.

There is no doubt that delivery of billions of pieces of mail per year is a highly technical endeavor. There is no doubt that the downsizing of the USPS has added to the immense problems that the postal service is experiencing. However, the USPS created its own problems and should look to itself for its solutions. Experienced people who actually handle the mail took advantage of the downsizing. Seasoned, knowledgeable employees are now retirees; now the postal service informs us that they are horribly understaffed in many areas. Penny-wise pound-foolish management techniques are costing the postal service the goodwill of its customers and millions of dollars to fix the resulting problems.

It is not only first class mailers who are chagrined about the lack of service. Second and third class mailers are being adversely affected as well; their mailings are vital to our nation's economy. These mailers are big customers of the postal service and must receive the service they have paid for--these are real users of the postal service. It is incredible that Processing and Distribution Center (P&DC) would delay hundreds of thousands of pieces of mail. I fully realize that I am quoting from your own documents, Mr. Postmaster General, which means that you are fully aware of the problem. How would you explain to my constituents that the Suburban, MD P&DC reported 10,000 pieces of delayed mail when there were actually over 104,000 pieces of delayed second-class mail? And, your May 1994 report states that "the Washington DC P&DC had large volumes of First-class mail in the **government** mail section with dates as old as February 1994." These are just two instances from the first two pages of the 27 page report regarding the mid-Atlantic area.

Let me stress to you, Mr. Runyon--and I know you are fully aware of this--our constituents write to us, fax us letters and are vocal in expressing their disgust with the mail service. I quote from one letter from a constituent, who also happens to be a postal employee, "As a Member on the Postal and Civil Service Committee, you have a special responsibility and obligation to your constituents in making sure their mail is processed in an efficient and timely manner!" He continues that he is an eleven-

year USPS employee and has witnessed a decay in postal operations; he asserts that the postal service does not acknowledge the situation and has no interest in combatting the problems. He continues that hiding of unprocessed mail is not a new phenomenon. He alleges that front line supervisors are incompetent, that they ruin areas and workers and the only action which is taken against these supervisors is to transfer them to another area or shift. He makes a suggestion: "There must be changes made with respect to the acting supervisor program. As it exists presently, there is no criteria by which acting supervisors are selected and formally trained. They should be moved out of the area in which they worked to other section to supervise, in order to preclude any retribution which does happen."

He also writes about the use of "details" which continue for years. I would like you to respond to the allegation that most details are designated for friends; these jobs, he states, should be posted and the bidding process utilized to fill the positions.

I have heard that morale in the postal service is extremely low. How do you plan to remedy this situation?

I received a letter of complaint from a constituent who enclosed as evidence, to use her words, her letter returned in a "body bag". This charred, returned letter took 17 days to be returned. Upon inquiry at the post office she determined that (1) no one was willing to take responsibility for the problem, (2) no one seemed to feel it was necessary to take responsibility for the problem, and (3) each postal worker she spoke to was terribly frustrated and demoralized by the system. She has written to you, Mr. Runyon, and sent me a copy of that letter. I hope that you will consider some of the recommendations she has made in the letter and answer her concerns.

Mr. Postmaster General, service levels are depressed because of a host of problems. We want to know if you know really what those problems are, how will you fix them and by what date certain. There is already too much finger-pointing. You are already losing business. You owe it to the USPS and to your employees--not to mention to your users--to make the system work and work cost-efficiently. There are already many waiting around impatiently to take over the postal service slack; there are many users who may, ultimately, be forced to use alternative systems for divertable mail; and there are many who have also suggested that the U.S. government take back the postal service.

I await what Mr. Runyon has to say. Thank you, Mr. Chairman and thank you again for calling this hearing so expeditiously.

Mrs. MORELLA. Yes, I have heard from people. I have heard from my constituents who haven't received their mail. I have had very ugly situations commented on. I have also heard from people who work for the post office, and unfortunately many of them have written to me anonymously, anonymously because they fear recriminations. That troubles me, and that says that one of the reasons why the southern Maryland unit found 2.3 million pieces of bulk mail delayed and 800,000 first class letters that had not been delivered and Northern Virginia had 900,000 pieces unprocessed and 75 percent of all mail at southern Maryland is delayed because of the personnel situation you have; many of these people fear recriminations, they fear blacklisting, and many of them have said that it has come because of a management failure.

The concept of the casual employees, the transitional employees, all of these kinds of problems have had this whole area rank a "D" or an "F" in terms of the overnight first class on-time performance rating. Washington is 58. And southern Maryland is 63, ranking among the very bottom.

I feel that there have got to be some responses to this, something that we can do so the mail is delivered, and that is why we are having these hearings. We did feel that the logo change was not necessary, but certainly I can say that the logo has not brought about mail delivery as it should have, certainly has not made it swift. So I look forward to hearing from you, Mr. Postmaster General.

Mr. HOYER. Mr. Moran.

MR. MORAN'S OPENING STATEMENT

Mr. MORAN. Well, thank you, Mr. Chairman.

Actually I think that Mr. Runyon has done a pretty good job. When he was hired, his first mission was to make the Post Office more efficient and competitive with the private sector. I think there should have been a greater emphasis placed at that time upon the fact that the highest priority is to get the mail delivered, however many people it takes and whatever it costs, and I think that is what the American people want. As long as the mail is being delivered in such a way that they can take it for granted, then they want to think about how much money you can save and people you can cut, but I think you have had a very difficult task and I know that you are trying very hard.

I don't think that the current mail problem rest solely with management. It does get frustrating. I don't know whether you all are getting the kinds of calls where people call up and ask to find out if they have had any of their mail undelivered. I tell them that is kind of an unreasonable expectation for their Congressperson to know what mail was undelivered, but clearly there is an awful lot of it.

I worked for weeks trying to put together a newsletter and I thought it was the best, of course, newsletter we have ever done and I will swear nobody ever got it. We sent it to every postal patron and, I didn't receive it or any of my staff. So it gets pretty frustrating.

There are few functions that the Federal Government performs that are more important than delivering the mail in such a way

that people can take it for granted. We want to keep the post office around forever as far as I am concerned. I don't think that it should be privatized. It is just a matter of working with you in a constructive way and making sure you have the necessary resources. But you must remember that the highest priority is to get that mail delivered, whatever it takes.

Thank you very much, Mr. Chairman.

[Mr. Moran's prepared statement follows:]

COMMITTEE ON
APPROPRIATIONS
SUBCOMMITTEES:
COMMERCE, JUSTICE, STATE AND JUDICIARY
LEGISLATIVE
VICE CHAIRMAN

Congress of the United States
House of Representatives
Washington, DC 20515-4608

JAMES P. MORAN
8TH DISTRICT OF VIRGINIA
WASHINGTON OFFICE
430 CANNON HOUSE OFFICE BUILDING
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(202) 225-4378
FEDERAL GOVERNMENT SERVICE TASK FORCE
CO-CHAIRMAN

Statement of Representative James P. Moran
On the Post Office Performance in the
Washington Metropolitan Region

Mr. Chairman:

I appreciate your holding this hearing today and inviting me to participate.

Like you, I was extremely disappointed to read that Washington, D.C.'s on time delivery rates were only 60% and that Northern Virginia's delivery rates were only 69.9%. I was furious to read that postal inspectors found mail stashed in trailers at the Southern Maryland and Merrifield plants.

The job of the Postal Service is to deliver the mail on time every day. Not only is the Washington, D.C. "on time delivery" rate of 60.6% inexcusable, but the national "on time delivery rate" of 78% is also indefensible. When you came to the Postal Service in 1992, your mission was not only to trim the workforce and cut operating costs, but also to improve the nation's mail delivery. That should have been your primary focus and should be the benchmark by which your are judged.

You have cut the workforce, and you have reduced costs, but the mail service has suffered.

In the recent press articles about this fiasco, different parties assess the blame for the poor service. Some blame the management, some the employees. One individual even blamed the poor mal service on Pierre L'Enfant who designed the layout for Washington, D.C.

I don't care whose at fault for the poor mail service. I don't care if it was the weather, poor management practices, or untrained employees. I want to know how this problem is going to be fixed today and in the future. I want to know what steps are being taken to ensure that we do not have to have this hearing again in the future. I am tired of the letters and phone calls my office receives complaining about the postal service. I want those complaints to stop. If you must hire more people to process the mail, hire more people. If you must bring criminal charges against those who stashed large quantities of mail in postal trailers, do so. The current postal operations in the Capital region cannot continue.

Mr. HOYER. Thank you, Mr. Moran.

Now, he is sitting at the end of the table, but as you know, Mr. Runyon, General Runyon, he is a Member of this committee and a very critical Member of this committee and very important one and active one. Mr. Darden from Georgia.

Mr. DARDEN. Thank you, Mr. Chairman. It is a pleasure to be here and to welcome so many of our colleagues from the area. With that, I have nothing further. Thank you very much.

Mr. HOYER. Mr. Darden is going to have a hearing on his seat being stolen.

Mr. WYNN. Mr. Chairman, just briefly, could I ask unanimous consent to have two letters from constituents entered into the record as well as the entirety of my opening statement.

Mr. HOYER. Without objection.

Mr. WYNN. Thank you.

Mr. HOYER. General, we are now going to recognize you. We have heard anger, frustration, concern. Much, in my opinion, has been very constructive. We need to solve this problem. We have been at this, as Frank Wolf mentioned, since 1988–1989. I was involved in 1990–1991. Every one of these people have been involved longer than you have been at the post office, when the TVA was doing very well and you were there. We need to get this right. We don't need to blame people, but where there is blame to be assessed, assess it. If it is machinery that is the problem, we need to address it. The Board of Governors needs to address it and that is why we have called this hearing, to get this problem solved for our people. We are glad you are here, General Runyon.

POSTMASTER GENERAL RUNYON'S STATEMENT

Mr. RUNYON. Thank you, Mr. Chairman. Good morning and good morning to Members of the committee.

With me today are Henry Pankey, Vice President of Mid-Atlantic Area Operations on my right, and that includes Maryland, Virginia, and the District of Columbia; and Pat Donahoe on my left, the District Manager for Washington, D.C. Behind us are Rich Rudez, District Manager from Baltimore, Maryland, and Eugene Carter, Manager of Processing and Distribution Operations in Northern Virginia.

Mr. HOYER. Could they sort of raise their hands so we know who's who.

Mr. RUDEZ. Richard Rudez.

Mr. CARTER. Eugene Carter.

Mr. RUNYON. We are here this morning to talk with you about mail service in the area, to discuss some of the actions that we have taken and the improvements that we have seen and to listen to your concerns and suggestions, and to tell you that we will deliver the mail in Washington, D.C., in the metropolitan area and deliver it on time.

I understand your frustrations over this area's mail service, and frankly, I am frustrated, too. Our service performance in May, as detailed by the Inspection Service, was very poor. In the past two months, we have made some wholesale changes. We have taken some important steps forward and we have seen a measure of improvement, not near enough. We are moving in the right direction

across the country and here in Washington, D.C., you will see continuous improvement over the next few weeks and months. Our goal remains to make service here among the best of any big city in the Nation.

This morning, my discussion of our performance begins some months ago. Considering the harsh weather of the past winter, we knew we would face difficulties in keeping our performance at normal levels, but we did expect things to rebound once things thawed out. However, in February and March I continued to hear concerns from customers and employees alike about operational problems in a number of cities. Financially, we were not meeting our goals and anecdotal reports suggested that service was down, too. I made the decision to spend the majority of my time in our field offices going to plants and post offices, meeting with our managers, and talking personally with customers and employees to assess our performance firsthand.

CHICAGO MAIL SERVICE

In March, problems came to a head in Chicago. I immediately went there to see and hear about the situation and determine what needed to be done and get the necessary changes underway. Within days, I deployed a service improvement team. We have since provided necessary additional resources and brought in a new management team with a track record of success in large metropolitan areas.

Earlier this month, Chicago area Vice President Bill Good reported that service quality there has improved significantly in the last four months. In his presentation to the Postal Service Governors on July 12, Mr. Good noted that Chicago's external first class measurement scores for quarter three showed an improvement of nearly 10 percentage points in overnight mail service to 75 percent. He also pointed out that independent tests conducted last week by the Inspection Service showed a more than 300 percent improvement over service in late March, with 86 percent of local mail delivered overnight and 96 percent delivered by the second day.

Chicago's problems raised my concern about possible difficulties in other cities, so I told the Inspection Service to provide me with an independent mail condition snapshot in 10 areas of the country. The picture of our performance in Washington on May 18 showed me we had very serious service problems. Large amounts of mail had built up in the D.C. area, mail that should have been delivered to postal customers. As soon as I got the report, I bluntly told our senior officers to fix it and fix it fast.

POSTAL OPERATIONS MANAGEMENT RESTRUCTURED

Eighteen days after receiving the national Inspection Service report, we completed and announced some sweeping changes throughout the Postal Service. I named a new chief operating officer and eliminated a layer of operations management at Postal Service Headquarters to improve responsiveness and increase accountability. I also replaced the 20 area managers with 10 vice presidents, reporting directly to headquarters with a mandate to improve our performance. Here in the D.C. area, we brought in

Henry Pankey, an outstanding postal manager with big city experience to help establish teamwork, rebuild resources, and raise the quality of service.

I am pleased with the way that our new vice presidents have moved to refocus our efforts on the customer and push accountability down into our management structure. Bill Good and Postmaster Rufus Porter and their employees have made significant progress in rebuilding customer satisfaction in Chicago.

Henry Pankey and his management team have already shown improvement here too in Washington D.C. Within days, the mail identified by the Inspection Service had been delivered and they are making progress in keeping up with current volume. Yesterday, he brought together the mailing leaders from around the area and discussed with them his plans for improving D.C. area mail service for the long term. In a moment, he will explain some of his initiatives that he and his managers know that they have my support.

We can deliver top quality service to this area, and we will. Just as we did in Chicago, we intend to achieve the same positive results in Baltimore, Philadelphia, New York, and here in Washington D.C.

We welcome your interest and your help. We will be pleased to work with your congressional staffs in their investigation and the General Accounting Office to provide the information that they need to conduct their review. We look forward to their suggestions, and to yours.

We will deliver on our promises to the country and this community. We have confidence in this new management team and its plan for improvement and we will assist them with the resources necessary to speed the progress. We are going to fix these problems and we are working on it now.

PMG VISIT TO D.C. POSTAL STATION

Tuesday morning I went to Friendship Station. I was impressed with our people there and encouraged by what I saw and heard. Clerk JoAnn Prue said, and I quote, we are all in this together, and by working together, we can improve service. Employees also gave me a newspaper clipping. It reported that two Friendship Station carriers, Devlin Johnson and Clayton Wazner, had taken vacation time to collect and deliver clothes and food to flood victims in Albany, Georgia. That is a good example of the spirit and caring of our employees.

Mr. Chairman, the Postal Service is a strong, proud organization. In hundreds of communities across this great country, Americans are served very well by their postmasters, supervisors, letter carriers, clerks, and mail handlers. We have service problems to overcome in some cities, and we are working to do that. With the commitment to customers typified in Friendship Station, we can do an outstanding job of providing mail service everywhere in this Nation, and that includes our capital. We will provide you with periodic updates and quarterly reports on our progress.

Thank you, Mr. Chairman, that concludes my remarks. Now Mr. Pankey would briefly like to discuss his plan for improving service in the Washington Metro area.

Mr. Runyon's prepared statement.

Statement by

Marvin Runyon

Postmaster General and CEO

U.S. Postal Service

Before the

Subcommittee on Treasury, Postal Service and General Government

Committee on Appropriations

U.S. House of Representatives

Washington, D.C.

July 28, 1994

Good morning, Mr. Chairman and Members of the Committee.

With me today are Henry Pankey, Vice President of Mid-Atlantic Area Operations, which includes Maryland, Virginia, and the District of Columbia . . . Pat Donahoe, the District Manager for Washington, D.C. Behind us are Rich Rudez, District Manager for Baltimore, Maryland . . . and Eugene Carter, Manager of Processing and Distribution Operations in Northern Virginia.

We are here this morning to talk with you about mail service in this area, discuss some of the dramatic actions we have taken and the improvements we have seen, listen to your concerns and suggestions, and to tell you we will deliver the mail in the Washington, D.C., metropolitan area . . . and deliver it on time.

I understand your frustrations over this area's mail service. Frankly, I'm frustrated, too. Our service performance in May, as detailed by our Inspection Service was quite poor. In the past two months, we have made some wholesale changes, taken some important steps forward, and seen a measure of improvement. We are moving in the right direction across the country, and here in Washington, D.C., you will see continuous improvement over the next few weeks and months. Our goal remains to make service here among the best in the nation.

This morning, my discussion of our performance begins some months ago. Considering the harsh weather of this past winter, we knew we would face difficulties in keeping our performance at normal levels. But, we expected to see a rebound once things thawed out.

However, in February and March, I continued to hear concerns from customers and employees alike about operational problems in a number of cities. Financially, we were not meeting our goals, and anecdotal reports suggested that service was down, too. I made the decision to spend the majority of my time in our field offices -- going to plants and post offices, meeting with our managers, and talking personally with customers and employees to assess our performance first-hand.

In March, the problems in Chicago came to a head. I immediately went there to see and hear about the situation, to determine what needed to be done, and to get the necessary changes under way. Within days, I deployed a service improvement team. We have since provided necessary additional resources, and brought in a new management team with a track record of success in large metropolitan areas.

Earlier this month, Chicago Area Vice President Bill Good reported that service quality there has improved significantly in the last four months. In his presentation to the Postal Service Governors on July 12, Mr. Good noted that Chicago's External First Class Measurement scores for Quarter III showed an improvement of nearly 10 percentage points in overnight mail service, to 75 percent. He also pointed out that other independent tests comparing service in late-March to that in early-July showed an improvement of more than 300 percent, with more than 80 percent of local mail delivered overnight.

Chicago's problems raised my concern about possible difficulties in other cities, so I told the Inspection Service to provide me with an independent mail condition snapshot in 10 cities across the country. The picture of our performance in Washington on May 18 showed we had service problems. Large amounts of mail had built up in D.C.-area plants, mail that should have been delivered to postal customers. As soon as I got the report, I bluntly told our senior officers, "Fix it . . . and fix it now."

Eighteen days after receiving the national Inspection Service report, we completed and announced some sweeping changes throughout the Postal Service. I named a new Chief Operating Officer and eliminated a layer of operations management at Postal Service Headquarters to improve responsiveness and increase accountability. I also replaced the 20 area managers with 10 vice presidents, reporting directly to Headquarters, with the mandate to improve our performance. Here in the D.C. area, we brought in Henry Pankey, an outstanding postal manager with big city experience, to help establish teamwork, rebuild resources, and raise the quality of service.

I am pleased with the way our new vice presidents have moved to refocus our efforts on the customer and push accountability down into our management structure. Bill Good and Postmaster Rufus Porter and their employees have made significant progress in rebuilding customer satisfaction in Chicago. Henry Pankey and his management team have already made some progress, too, here in Washington, D.C. Within days, the mail noted by the Inspection Service had been delivered. Over the ensuing weeks, the backlog of mail in our plants having to be held over to the next day has declined.

Yesterday, he brought together the mailing leaders from around the area and discussed with them his plans for improving D.C.-area mail service for the long-term. In a moment, he will explain some of his initiatives. He and his managers have my complete support.

We can deliver top-quality service to this area, and we will. Just as we did in Chicago, we intend to achieve the same positive results in Philadelphia, New York, and here in Washington, D.C.

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Tuesday morning, I went to Friendship Station. I was impressed with our people there and encouraged by what I saw and heard. The mail was current, and the working conditions improved. Clerk JoAnn Prue said that we are all in this together, and that by working together, we can improve service. The employees also gave me a newspaper clipping. It reported that two Friendship station carriers, Devlin Johnson and Clayton Wazner, had taken vacation time to collect and deliver clothes and food to flood victims in Albany, Georgia. That's a good example of the spirit and caring of our employees.

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Thank you, Mr. Chairman. That concludes my remarks.

# # # #

Mr. HOYER. Mr. Pankey.

MID-ATLANTIC AREA OPERATIONS VICE PRESIDENT PANKEY'S STATEMENT

Mr. PANKEY. Thank you, Mr. Chairman, and good morning and thank you, Mr. Runyon, for the introduction.

I am Henry Pankey, Vice President of Area Operations for the six-State Mid-Atlantic area. The Postmaster General has given us a clear mandate and the mandate is to fix service and fix it now. Our strategy for accomplishing that is to get back to basics, to make sure that the fundamentals of our operations are sound, and to implement a plan that will deliver noticeable and measurable improvements in the coming months. Our plan focuses on four areas: Staffing, operational processes, retail and customer services, and Metro infrastructure.

METRO AREA STAFFING

Staffing is a significant problem in the Washington, D.C., area. Back in December, complement ceilings were put into place and preparation for additional sorting systems. Our delivery units struggled with unfilled vacancies and our plants became reliant on a work force of unskilled, temporary employees undermining our service and quality.

Over the next few months, we will correct these conditions. In nine days, we will hire 75 new letter carriers, 20 new window clerks, and 30 new mail handlers in the Washington, D.C., area alone.

In Baltimore, we are converting 84 transitional workers to career employment in September. We have filled employee vacancies in Silver Spring, Rockville, Hyattsville, and Mechanicsville, and we are looking at our hiring needs in southern Maryland, suburban Maryland, and Northern Virginia.

New employees must receive adequate training to be effective. Ongoing staffing reviews are making sure we have the proper number of employees and that we put them where the work is.

Finally, we have replaced one plant manager and will make other reporting and leadership changes, as warranted.

Our managers must be prepared to make the tough decisions necessary to get your mail delivered. We will pursue excellence and continuous improvement.

METRO-AREA OPERATIONS IMPROVEMENTS

Our second area of emphasis is operational processes. We are reviewing every aspect of our operations from the collection box to your mailbox to correct mistakes that have accumulated over time and to ensure that we do the right things the right way and at the right time. To help speed local mail delivery in the Baltimore area, for example, we are installing special collection boxes marked "local mail only" to keep mail within the community.

Areawide, we are working with our business customers to get mail into our system earlier in the day. We are working with our plant managers and supervisors to do a better job of planning and preparing for the anticipated day's mail to make sure that what

comes in today gets sorted and dispatched today and delivered tomorrow.

We have nine service improvement teams under way made up of craft and management employees from a variety of functions. These are the people who do the work and know the work. They are deployed on our plant floors, examining the work flow and helping us eliminate bottlenecks and speed the handling of mail. They are on our docks to help to get the incoming mail directly to the right operation for processing and dispatching, to help expedite mail to the Federal Government, and improve the handling of mail in our southern and suburban plants.

The Postal Service is changing its distribution systems nationwide. In a few weeks, in processing plants all across the country, we will begin separating out the mail for branches—for the branches and agencies of the government.

We will also begin separating out zip codes 208 and 209, suburban Maryland, and sending it directly to the facility there instead of routing it through our southern Maryland plant for initial processing.

These actions will speed the handling of this mail and improve the efficiency of our overall operations. We also intend to examine our delivery routes and adjust them to get the mail in the mailbox at a reasonable hour. Our goal is not only prompt overnight delivery for local mail, but consistent delivery as early as possible in the day and at the same general time each day.

METRO AREA RETAIL SERVICE IMPROVEMENTS

The third area we are focusing on is retail and customer services. We are in the process of establishing positions in each delivery unit in Washington, D.C., called customer advocates. These employees will be the central contact for any question or concern. We are working to upgrade our lobbies and vending equipment to provide you with dependable services and a clean, professional appearance. And we will be endeavoring to provide retail service to all of our customers in the Metro area within five minutes or less.

In October, we will have an 800 customer call center operating in this area. There will be one central phone number where you can get your questions answered and your concerns addressed.

Going into Christmas, we will print and distribute zip code directories throughout the area. It will be a handy resource for small businesses for addressing your Christmas cards and personal mail, and we will expand our network of customer advisory councils.

These customer groups are helping us identify service problems and fix them in communities from Leonardtown to Waldorf to Washington. Over the next six months, we will establish councils in LaPlata, Germantown, and other neighborhoods, and we will create a government agency council to improve relationships and responsiveness to the 18 Federal agencies and other Federal Government organizations we serve.

METRO AREA INFRASTRUCTURE REVIEW

The fourth part of our plan focuses on improving our infrastructure. With the support of Postmaster General Marvin Runyon and Chief Operating Officer, Bill Henderson, we will be working to im-

prove our facilities and equipment infrastructure. We have a number of badly needed facility projects and we will be doing everything we can to speed construction for the benefit of our customers.

And we are in the process of bringing remote bar coding on-line in all of our plants. This important sorting system is already operational in Northern Virginia. We are starting up operations in suburban Maryland and Baltimore as we speak, and by September, RBCSs will be up and running in Washington, D.C. This equipment will help us get bar codes on handwritten mail and poorly addressed mail and get virtually all letter mail onto automated equipment for consistent and accurate sorting.

My staff and the fine managers you see here today have done a good job of putting together our plan of action. With more than 28,000 dedicated employees in the Washington-Baltimore Metro area and the support of our customers, the Postmaster General, and the support of this committee, I am confident you will see improved service in the coming weeks.

Thank you, Mr. Chairman, for the opportunity to discuss our plans this morning.

AREA STAFFING

Mr. HOYER. Thank you very much, General.

Mr. Pankey, you mentioned personnel hires, Mr. Pankey. Do we have enough people to do the job, Mr. Runyon, in the Postal Service now?

Mr. RUNYON. As Mr. Pankey said, we do need to hire some people in this area to fill some openings and I would like for him to answer that question.

Mr. HOYER. My question, though, General, was broader. One of the allegations is that the Postal Service was reduced by 47,000 people. As I indicated in my opening statement, the poor service in this area predated that downsizing.

Mr. RUNYON. Right.

Mr. HOYER. I don't ascribe the poor performance solely to downsizing. However, I do see in Mr. Pankey's statement that we are beefing up our personnel. I saw last weekend where we had overtime because apparently we couldn't do the job.

Mr. RUNYON. Right.

Mr. HOYER. Do we have enough people to do the job the American public expects us to do?

Mr. RUNYON. Let me address that by saying when we started out, we restructured, we didn't downsize, and the directions that we gave for the restructuring were to remove the excess overhead in the Postal Service and not to touch people that touch the mail. Those were the directions that we gave.

Now, the fact is that we had about 48,000 people retire. We offered the benefit of retiring to most of our craft people. There were a couple of crafts that we didn't offer that to because we were very short on those people. We have now replaced those people, but we also have had an increase in volume in mail.

Over the past two years, we have had an increase in the volume of over 6 percent. We have hired over 50,000 people to take care of that volume. So it is not that we are not taking care of hiring people, but we do have some areas where people have made the de-

cisions that they didn't need more people to do their jobs when, in fact, they did. That is what we are trying to correct here and that is—we are looking at that nationwide to make sure we don't have that problem nationwide.

METRO AREA OVERTIME

Mr. HOYER. Let me ask you a question—Mr. Pankey, perhaps you can answer this—last weekend you had overtime at some of the regional facilities. The report was written in late May. Were there incidents of overtime between May and this past weekend?

Mr. PANKEY. Sir, the reason we gave the overtime over the weekend——

Mr. HOYER. My question was, were there overtimes between May and today. You got the report in late May. Was there an overtime ordered on the weekends between then and last weekend?

Mr. PANKEY. I am sure, sir, that they did have overtime during that time frame.

Mr. HOYER. But we don't know. Could you check that out and let us know that for the record.

Mr. RUNYON. We will submit it for the record.

[The information follows:]

MID-ATLANTIC OVERTIME

Average weekend overtime in the Mid-Atlantic Area since the May Inspection Service report has been as follows:

Cluster	Hours	Ratio
Capital	8,546	11.7
Baltimore	8,084	15.1
Northern VA	4,029	10.2
Richmond	5,998	11.2
Appalachian	2,969	7.0
Greensboro	1,000	7.7
Mid-Carolinas	1,929	5.4
Columbia	2,160	7.2
Kentuckiana	4,610	8.8

Mr. HOYER. And the reason to ask that question is to determine whether you responded to the report without Congressional impetus. You have got a report in May that there was a crisis, over 1.7 million pieces of mail stashed so it wouldn't be in the account of undelivered.

Mr. RUNYON. Right.

Mr. HOYER. Let me ask you, Mr. Runyon, you will want to speak to this. My understanding is we transfer personnel that don't do their jobs. Now, if we do that, that just shifts the problem to Arlington, which is where apparently the individual who was replaced in the southern Maryland was sent. Now, I don't know anything about that individual. I am not picking on him, but transferring nonperformers around is not going to solve your problem. Are we doing that?

Mr. RUNYON. We are in some cases doing that. In Chicago, for example, we did move some people to jobs we thought they could perform. They had good records before they went to Chicago. Their record would not support us discharging them. It did support us moving them to another location where we felt they could do their

job. It is a lesser responsibility and we think they can do that job there. In this particular case, Mr. Pankey will have to talk about that particular plant manager, what happened here.

Mr. PANKEY. Yes, we reassigned him to my staff, pending further review by the Inspection Service.

EMPLOYEE TRAINING

Mr. HOYER. I don't want to go into that individual problem. I don't know the merits of it and don't raise it for that purpose. We got a problem and we are going to get it fixed. I haven't joined Mr. Wynn because I think it is premature, very frankly, and I have told him that, but we are going to get it fixed.

You mentioned that training is a problem. You mentioned putting new machinery, personnel hires, systemic problems, operational processes, customer service, and infrastructure, automation changes.

One of the allegations and concerns and complaints that we are hearing from employees is that they are being asked to run machinery for which they are not properly trained or they are seeing temporary or occasional employees running machinery that they don't know how to run. If that is happening, how are we going to eliminate it from happening?

Mr. PANKEY. Congressman Hoyer, what we are doing now is identifying those particular problems and identifying those employees. One, we will give them the remedial training to run that particular equipment, and we are right now pretty much in our process trying to downsize the temporary employees and bring on career employees.

Mr. HOYER. And are you confident that there is a training program in place that gives to these employees proper training so they can do the job expected of them?

MARYLAND SERVICE PERFORMANCE

Mr. PANKEY. Yes, sir, I am.

Mr. HOYER. To what, Mr. Pankey, do you attribute the 1.7 million pieces of mail being found during the course of February to May of 1994?

Mr. PANKEY. Well, I attribute it to poor staffing. I think staffing shortages, and in some cases problems with our accounting procedures. I think some people did not account for that mail properly and we need to take a look at that, but those were primarily the issues. But once we did identify it, we were able to process it very quickly and get it moved through and delivered to our customers.

Mr. HOYER. Mr. Pankey, in your statement you mentioned 208 and 209 being directly—not go through one of the facilities and go direct. I know Mrs. Morella will be pleased about that because that is mostly in Montgomery County and that is fine. We want to take care of that as well, but if a problem is in southern Maryland, those are not southern Maryland zip code numbers, and that may or may not help in terms of delivery service down there. You need to look at that.

Mr. Pankey, you heard my statement. You heard Mr. Wolf's statement; since 1988–1989, 1990–1991, Senator Sarbanes and others of us have been engaged in this. Nobody has testified to me or

my colleague that we got staffing problems. If staffing is the problem, we need to support hiring more staff, but understand, some of us are cynical when we were told in 1991 that we were going to get on top of this problem and three and a half years later we find that the problem has been exacerbated, not alleviated.

Before I recognize Mr. Lightfoot, let me welcome to the committee the Ranking Member of the Post Office and Civil Service Committee, one of the Ranking Members of the Appropriations Committee, my good friend, John Myers.

Did you want to say anything, John?

Mr. MYERS. No, I came to hear.

Mr. HOYER. Mr. Lightfoot.

IOWA SERVICE PERFORMANCE

Mr. LIGHTFOOT. Thank you, Mr. Chairman.

Mr. Runyon, I have here about 71 different opinions that people contacted our office with, which I am going to give to you to take with you. There are three or four here I want to share with you in which these individuals gave us their name. In cases where they are postal employees; however, I am going to remove the names before I give them to you, and I think you will see why after I tell you what they had to say, and I think it is in their best interest.

But I think it also maybe gets to the root of what we are after here. First of all, this is from a constituent who is not a postal employee who moved from Sac City to Des Moines, filled out the necessary change of address form, seven days later the letter finally reached him.

He moved a second time within the city of Des Moines, again filling out the necessary changes. Post office lost a letter containing a $1,000 deposit. He ended up hiring an attorney, paying court costs, filing fees to get the letter found. He then called the post office to complain and the postal employee simply hung up the phone on him.

This particular opinion came from a postal employee. He said that the post office is rotten, workers take mail home at night when they are running late. Many of them can't even read.

Another postal employee said that he sees one of the big problems is the union because they have so much power to discipline an employee. It takes six months to get some action. They cannot be terminated in that length of time. He also cites it is very small post offices, he thinks, that are a financial drain on the system.

Another gentleman—well, I don't know whether it is a gentleman or not. This individual is a 42-year veteran of the service. He has received a lot of awards for his suggestions.

He said a letter mailed to a person with a rural route address that had been changed to a city box only 10 miles away, six days later was sent back to Des Moines for address correction, for forwarding address, returned to the center as undeliverable mail, then it had to be put in another envelope, addressed, stamped again, and remailed, and he said the letter carrier on the star route knows who the people are. He should have just delivered it the first time.

Another individual who works for the post office, has been there 20 years and he hopes to stay 12 more, said the way the place is

running anymore is questionable. The last reorganization moved people around for jobs maybe they weren't qualified for, which I think gets to what Mr. Hoyer was asking a moment ago.

Said they have not increased production. Four years ago, the Des Moines Bulk Mail Center was number one in the Nation. Last reporting period, they were dead last.

The employees have absolutely no fear of management. They don't want to work. They don't intend to work. He wonders about putting his neck on the line, but you have got to start someplace.

I am not going to give you this man's name. He said they are well paid. The work isn't that difficult and if the people would just work and do their job, they wouldn't have the problem. He said he had been reading some columns and so on and thought that this was something that should be passed on.

Here is another individual who is retired now, worked for the Postal Service for 34 years, and says he feels the problems stem from poor management, and in his opinion, intentional poor management. Management did the same thing when the post office moved from governmental to semigovernmental operation.

Anyway, out of all this, and you are talking about bar codes and sorting equipment. I think we have to pursue that, and you have a strong reputation as a leader, and I think it is a deserved reputation, but it looks to me like when we listen to all these complaints about slow delivery, checks being lost in the mail, the whole nine yards and then we see things like Chicago and we see things like here in D.C. and then we hear from people who are actually working inside the system, maybe it boils down to two other problems that we are not addressing. One is morale and the other one is attitude. If you don't have good morale and you've got a lousy attitude, I don't care what kind of equipment you put in, it is never going to work. Is that a problem, morale and attitude?

EMPLOYEE OPINION SURVEY

Mr. RUNYON. The real problem that we have in the Postal Service is the culture of the Postal Service. And that is going to take a long time to overcome.

From an attitude standpoint, we took a—there was an opinion research survey that was taken before I came to the Postal Service. About 18 months later after we did the restructuring, we took another employee opinion survey. The results of that second survey showed that the employees felt better about the Postal Service than they did before, and I would be glad to supply the committee with a copy of that survey.

[The information follows:]

EMPLOYEE OPINION SURVEY RESULTS

Attached are the 1993 national results which showed overall increases in most areas. The most relevant question indicating how employees feel about the Postal Service is the first question—"Overall rating as a place to work." Results from this question increased from 40 percent favorable in 1992 to 45 percent favorable in 1993.

1993 USPS EMPLOYEE OPINION SURVEY RESULTS

RESPONSE RATE AT THE NATIONAL LEVEL

Surveys Delivered	657,112
Total Returned	512,818
Response Rate	78%

SURVEY RESULTS
DIMENSION 01: JOB ATTITUDES AND EMPLOYEE COMMITMENT
NATIONAL LEVEL

SURVEY QUESTION[1]	PERCENT FAVORABLE OVERALL	PERCENT FAVORABLE BARGAINING	PERCENT FAVORABLE NON-BARGAINING	PERCENT UNFAVORABLE OVERALL	DIFF. FROM THIS GROUP LAST YEAR OVERALL	DIFF. FROM SERVICE ORG. (NON-USPS)[2] OVERALL
1. Overall rating as place to work. (One of the best/Above Average)	45	43	67	18	+5	-13
2. Rate the Postal Service as a place to work today compared with the way it was when you first started. (It's better now)	28	26	41	34	+9	+2
3. Your pay. (Very good/Good)	83	83	88	2	+1	+20
4. Your employee benefits. (Very good/Good)	81	80	89	4	+2	+19
5. My job provides me with an opportunity to do interesting and challenging work. (Strongly agree/Agree)	42	38	72	40	-1	+10
6. Like kind of work I do. (Strongly agree/ Agree)	78	77	88	12	+2	*
7. I am proud to work for the Postal Service. (Strongly agree/Agree)	77	76	86	9	-2	+6
8. If I had to start my career over again, I would choose the Postal Service. (Strongly agree/Agree)	46	44	56	30	-2	*
9. I am committed to the success of the Postal Service. (Strongly agree/Agree)	90	89	97	3	0	*

* = Data not available
[1] RESPONSE CATEGORIES CONSIDERED FAVORABLE ARE IN PARENTHESES.
[2] + = BETTER THAN COMPARISON GROUP BASED ON FAVORABLE RESPONSES.
- = WORSE THAN COMPARISON GROUP BASED ON FAVORABLE RESPONSES.

SURVEY RESULTS
DIMENSION 02: WORKING CONDITIONS
NATIONAL LEVEL

SURVEY QUESTION[1]	PERCENT FAVORABLE OVERALL	PERCENT FAVORABLE BARGAINING	PERCENT FAVORABLE NON-BARGAINING	PERCENT UNFAVORABLE OVERALL	DIFF. FROM THIS GROUP LAST YEAR OVERALL	DIFF. FROM SERVICE ORG. (NON-USPS)[2] OVERALL
1. The physical working conditions. (Very good/Good)	40	36	65	24	+2	-8
2. The safety of your job. (Very good/Good)	45	41	75	18	0	-16
3. The amount of stress in my job is a problem. (Strongly disagree/Disagree)	28	28	30	57	+2	*
4. Alcohol abuse among employees is a problem where I work. (Strongly disagree/Disagree)	62	61	71	20	+2	*
5. Drug abuse among employees is a problem where I work. (Strongly disagree/Disagree)	66	66	74	13	0	*

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SURVEY RESULTS
DIMENSION 03: CAREER DEVELOPMENT & TRAINING
NATIONAL LEVEL

SURVEY QUESTION[1]	PERCENT FAVORABLE OVERALL	PERCENT FAVORABLE BARGAINING	PERCENT FAVORABLE NON-BARGAINING	PERCENT UNFAVORABLE OVERALL	DIFF. FROM THIS GROUP LAST YEAR OVERALL	DIFF. FROM SERVICE ORG. (NON-USPS)[2] OVERALL
1. Your opportunity for advancement. (Very good/Good)	28	22	48	42	-2	0
2. Providing training so that you can handle your PRESENT job properly. (Very good/Good)	33	31	46	32	-1	-8
3. Providing training to help you qualify for a BETTER job. (Very good/Good)	17	18	29	55	-2	-12

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SURVEY RESULTS
DIMENSION 04: EMPLOYEE-MANAGEMENT RELATIONS
NATIONAL LEVEL

SURVEY QUESTION[1]	PERCENT FAVORABLE OVERALL	PERCENT FAVORAPLE BARGAINING	PERCENT FAVORAPLE NON-BARGAINING	PERCENT UNFAVORABLE OVERALL	DIFF. FROM THIS GROUP LAST YEAR OVERALL	DIFF. FROM SERVICE ORG. (NON-USPS)[2] OVERALL
1. Generally, union and management work well together. (Strongly agree/Agree)	28	27	44	44	+5	*
2. Supervisors consistently follow the provisions of the national agreement. (Strongly agree/Agree)	28	25	60	47	+2	*
3. Supervisors/management often make personnel decisions based on favoritism. (Strongly disagree/Disagree)	21	19	40	63	+2	*
4. The applicants who are promoted to supervisor or manager positions are the most qualified. (Strongly agree/Agree)	11	8	28	71	0	*

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SURVEY RESULTS
DIMENSION 05: EMPLOYEE TREATMENT & PARTICIPATION
NATIONAL LEVEL

SURVEY QUESTION[1]	PERCENT FAVORABLE OVERALL	PERCENT FAVORABLE BARGAINING	PERCENT FAVORABLE NON-BARGAINING	PERCENT UNFAVORABLE OVERALL	DIFF. FROM THIS GROUP LAST YEAR OVERALL	DIFF. FROM SERVICE ORG. (NON-USPS)[2] OVERALL
1. Treating employees with respect and dignity as individuals. (Very good/Good)	33	28	68	37	+9	+2
2. Taking employee interests into account when making important decisions. (Very good/Good)	25	20	61	48	+10	+11
3. Listening to your problems, complaints, and ideas. (Very good/Good)	28	25	60	41	+11	+2
4. Doing something about your problems, complaints, and ideas. (Very good/Good)	21	17	50	53	+8	+2
5. Employees are reluctant to reveal problems or errors to management. (Strongly disagree/Disagree)	27	26	33	58	0	*
6. I have enough authority to carry out my job effectively. (Strongly agree/Agree)	64	63	71	22	+4	-10
7. In past 12 months, I have personally experienced sexual discrimination where I work. (Strongly disagree/Disagree)	75	73	85	15	*	*
8. In past 12 months, I have personally experienced racial discrimination where I work. (Strongly disagree/Disagree)	70	68	81	19	*	*
9. In past 12 months, I have personally experienced sexual harassment from postal employees. (Strongly disagree/Disagree)	81	80	91	11	*	*

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SURVEY RESULTS
DIMENSION 05: EMPLOYEE TREATMENT & PARTICIPATION
NATIONAL LEVEL

SURVEY QUESTION[1]	PERCENT FAVORABLE OVERALL	PERCENT FAVORABLE BARGAINING	PERCENT FAVORABLE NON-BARGAINING	PERCENT UNFAVORABLE OVERALL	DIFF. FROM THIS GROUP LAST YEAR OVERALL	DIFF. FROM SERVICE ORG. (NON-USPS)[2] OVERALL
10. The USPS is committed to providing equal opportunity for all employees. (Strongly agree/Agree)	49	47	85	33	+2	*
11. How USPS's emphasis on recognizing and valuing diversity will affect your career opportunities. (Improve)	16	18	19	26	*	*
12. Have you ever seriously considered leaving the USPS? (No)	63	63	60	37	*	*
13. (OF those who considered leaving) was it because of negative treatment due to your AGE. (No)	85	84	85	15	*	*
14. (OF those who considered leaving) was it because of negative treatment due to your GENDER. (No)	75	76	72	25	*	*
15. (OF those who considered leaving) was it because of negative treatment due to your RACE. (No)	74	74	73	26	*	*
16. (OF those who considered leaving) was it because of negative treatment due to your ETHNIC GROUP. (No)	85	85	87	15	*	*
17. (OF those who considered leaving) was it because of negative treatment due to your RELIGION. (No)	95	95	97	5	*	*

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SURVEY RESULTS
DIMENSION 05: EMPLOYEE TREATMENT & PARTICIPATION
NATIONAL LEVEL

SURVEY QUESTION[1]	PERCENT FAVORABLE OVERALL	PERCENT FAVORABLE BARGAINING	PERCENT FAVORABLE NON-BARGAINING	PERCENT UNFAVORABLE OVERALL	DIFF. FROM THIS GROUP LAST YEAR OVERALL	DIFF. FROM SERVICE ORG. (NON-USPS)[2] OVERALL
18.(OF those who considered leaving) was it because of negative treatment due to your SEXUAL ORIENTATION. (No)	92	91	94	8	*	*

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SURVEY RESULTS
DIMENSION 06: LEADERSHIP & SUPERVISION
NATIONAL LEVEL

SURVEY QUESTION[1]	PERCENT FAVORABLE OVERALL	PERCENT FAVORABLE BARGAINING	PERCENT FAVORABLE NON-BARGAINING	PERCENT UNFAVORABLE OVERALL	DIFF. FROM THIS GROUP LAST YEAR OVERALL	DIFF. FROM SERVICE ORG. (NON-USPS)[2] OVERALL
1. Working for a supervisor you respect. (Very good/Good)	38	35	51	32	+3	-9
2. Knowing his or her job (Very good/Good)	56	54	73	17	0	-2
3. Dealing fairly with everyone - playing no favorites. (Very good/Good)	39	37	60	35	+1	+2
4. Encouraging teamwork in getting the job done. (Very good/Good)	41	38	67	30	+2	*
5. Letting you know what kind of job you are doing. (Very good/Good)	32	30	48	40	0	-10
6. Giving you information you need to do a good job. (Very good/Good)	37	34	57	39	+1	-7
7. Being trustworthy. (Very good/Good)	45	42	54	28	+2	*

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SURVEY RESULTS
DIMENSION 07: PERFORMANCE MANAGEMENT
NATIONAL LEVEL

SURVEY QUESTION[1]	PERCENT FAVORABLE OVERALL	PERCENT FAVORABLE BARGAINING	PERCENT FAVORABLE NON-BARGAINING	PERCENT UNFAVORABLE OVERALL	DIFF. FROM THIS GROUP LAST YEAR OVERALL	DIFF. FROM SERVICE ORG. (NON-USPS)[2] OVERALL
1. Poor employee performance is usually NOT tolerated. (Strongly agree/Agree)	24	22	35	62	-4	-8
2. Many supervisors have given up trying to discipline employees. (Strongly disagree/Disagree)	28	30	24	50	-7	*
3. It is nearly impossible to fire an employee who should be terminated. (Strongly disagree/Disagree)	20	20	13	62	-2	*
4. In my area, some people do most of the work while others do just enough to get by. (Strongly disagree/Disagree)	17	18	33	74	-1	-3

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SURVEY RESULTS
DIMENSION 08: RECOGNITION & REWARD
NATIONAL LEVEL

SURVEY QUESTION[1]	PERCENT FAVORABLE OVERALL	PERCENT FAVORABLE BARGAINING	PERCENT FAVORABLE NON-BARGAINING	PERCENT UNFAVORABLE OVERALL	DIFF. FROM THIS GROUP LAST YEAR OVERALL	DIFF. FROM SERVICE ORG. (NON-USPS)[2] OVERALL
1. When things go well on the job, how OFTEN is your contribution recognized. (Always/Frequently)	15	14	24	54	+1	-8
2. Pay should be based more on performance than it is at present. (Strongly agree/Agree)	58	56	72	22	+3	*
3. Performing well just gets you extra work. (Strongly disagree/Disagree)	17	16	25	73	-2	*
4. I get rewarded for high levels of performance. (Strongly agree/Agree)	14	12	33	73	-2	*
5. Work groups are rewarded for cooperating with each other. (Strongly agree/Agree)	11	10	22	64	-1	*

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SURVEY RESULTS
DIMENSION 09: COMMUNICATIONS
NATIONAL LEVEL

SURVEY QUESTION[1]	PERCENT FAVORABLE OVERALL	PERCENT FAVORABLE BARGAINING	PERCENT FAVORABLE NON-BARGAINING	PERCENT UNFAVORABLE OVERALL	DIFF. FROM THIS GROUP LAST YEAR OVERALL	DIFF. FROM SERVICE ORG. (NON-USPS)[2] OVERALL
1. I am kept informed about important matters by management. (Strongly agree/Agree)	32	29	57	52	+3	*
2. Formal postal communications... are informative. (Strongly agree/Agree)	67	65	77	14	+23	*
3. I can usually believe the the information I get from the USPS. (Strongly agree/Agree)	47	45	68	25	+6	-18
4. I read all formal postal communications I receive at home. (Strongly agree/Agree)	79	78	87	16	*	*
5. I am given the opportunity to see USPS-produced videos on the clock. (Strongly agree/Agree)	66	64	65	33	*	*

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SURVEY RESULTS
DIMENSION 10: QUALITY FOCUS
NATIONAL LEVEL

SURVEY QUESTION[1]	PERCENT FAVORABLE OVERALL	PERCENT FAVORABLE BARGAINING	PERCENT FAVORABLE NON-BARGAINING	PERCENT UNFAVORABLE OVERALL	DIFF. FROM THIS GROUP LAST YEAR OVERALL	DIFF. FROM SERVICE ORG. (NON-USPS)[2] OVERALL
1. My work group places emphasis on doing the job right the first time. (Strongly agree/Agree)	56	53	79	24	-1	*
2. I know how my work impacts customer satisfaction. (Strongly agree/Agree)	87	87	91	4	+2	*
3. The USPS is serious about quality work. (Strongly agree/Agree)	53	51	68	28	+5	*
4. We tend to make "quick fixes" instead of finding longtime solution to problems. (Strongly disagree/Disagree)	10	9	14	74	+1	*
5. Productivity goals are achieved at the expense of customer service. (Strongly disagree/Disagree)	19	17	29	66	+3	*
6. The USPS continuously strives to improve its products and services. (Strongly agree/Agree)	63	61	74	14	+5	*
7. I am encouraged to come up with new and better ways of doing things. (Strongly agree/Agree)	33	29	61	47	-1	*
8. At the USPS, taking a calculated risk and failing is better than not taking a risk at all. (Strongly agree/Agree)	28	26	43	41	+1	*
9. Decisions currently made at a high level could be better made at lower levels. (Strongly disagree/Disagree)	8	7	12	71	0	-1

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SURVEY RESULTS
DIMENSION 10: QUALITY FOCUS
NATIONAL LEVEL

SURVEY QUESTION[1]	PERCENT FAVORABLE OVERALL	PERCENT FAVORABLE BARGAINING	PERCENT FAVORABLE NON-BARGAINING	PERCENT UNFAVORABLE OVERALL	DIFF. FROM THIS GROUP LAST YEAR OVERALL	DIFF. FROM SERVICE ORG. (NON-USPS)[2] OVERALL
10. Cooperation between employees in different functional areas. (Very good/Good)	30	28	40	33	+1	-1

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SURVEY RESULTS
DIMENSION 11: CUSTOMER SATISFACTION
NATIONAL LEVEL

SURVEY QUESTION[1]	PERCENT FAVORABLE OVERALL	PERCENT FAVORABLE BARGAINING	PERCENT FAVORABLE NON-BARGAINING	PERCENT UNFAVORABLE OVERALL	DIFF. FROM THIS GROUP LAST YEAR OVERALL	DIFF. FROM SERVICE ORG. (NON-USPS)[2] OVERALL
1. In your opinion, what is the QUALITY OF SERVICE provided by the USPS to the American people. (Very good quality/Good quality)	62	60	75	10	+10	-8
2. In your opinion, what is the QUALITY OF SERVICE provided by the USPS to the American people NOW, COMPARED TO TWO YEARS AGO. (It's better now)	32	31	39	21	+12	+10
3. Providing services which are a good value for the price. (Excellent/Very good)	63	61	78	10	+4	*
4. Its [Postal Service's] overall performance. (Excellent/Very good)	43	41	60	20	+5	*

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SURVEY RESULTS
DIMENSION 12: MANAGEMENT OF CHANGE
NATIONAL LEVEL

SURVEY QUESTION[1]	PERCENT FAVORABLE OVERALL	PERCENT FAVORABLE BARGAINING	PERCENT FAVORABLE NON-BARGAINING	PERCENT UNFAVORABLE OVERALL	DIFF. FROM THIS GROUP LAST YEAR OVERALL	DIFF. FROM SERVICE ORG. (NON-USPS)[2] OVERALL
1. Competition presents a serious threat to the USPS. (Strongly agree/Agree)	77	75	89	12	+1	*
2. Increasing revenue is just as important to the USPS as decreasing costs. (Strongly agree/Agree)	74	72	88	12	+7	*
3. The work flow is well organized. (Strongly agree/Agree)	29	27	46	53	+2	-6
4. Too many changes of supervisors have caused problems in my work group. (Strongly disagree/Disagree)	39	38	47	42	0	*
5. The USPS is doing a good job of implementing automation. (Strongly agree/Agree)	33	31	44	35	-2	*
6. I am concerned that automation may harm my job situation. (Strongly disagree/Disagree)	34	30	57	45	+8	*
7. Automation is critical to keeping the USPS competitive. (Strongly agree/Agree)	77	75	82	9	+5	*
8. Your job security. (Very good/Good)	70	70	72	8	+5	+5
9. The USPS does a good job of implementing change. (Strongly agree/Agree)	24	23	31	47	+5	*

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SURVEY RESULTS
DIMENSION 12: MANAGEMENT OF CHANGE
NATIONAL LEVEL

SURVEY QUESTION[1]	PERCENT FAVORABLE OVERALL	PERCENT FAVORABLE BARGAINING	PERCENT FAVORABLE NON-BARGAINING	PERCENT UNFAVORABLE OVERALL	DIFF. FROM THIS GROUP LAST YEAR OVERALL	DIFF. FROM SERVICE ORG. (NON-USPS)[2] OVERALL
10. Something will be done about the problems uncovered in this survey. (Strongly agree/Agree)	20	19	31	48	+3	-8

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1994 EMPLOYEE OPINION SURVEY SCHEDULE

The next Employee Opinion Survey has already been distributed and has a return deadline of September 2. Results are scheduled to be available in November.

Mr. RUNYON. We have now taken another—are in the process of taking another survey. The survey is going out in August, and we will know what happens there, and then we will report back to the committee on that survey so that you will know what it is.

[The information to be provided this Fall when survey is completed.]

EMPLOYMENT CULTURE

Mr. RUNYON. But the real problem is the postal culture has been very autocratic. Management has told employees do it like this, sort of check your brains at the door and come in and do the mail like I tell you to do it. We are trying to change that. We think that the people doing the job know the most about doing that job of anybody in the post office and we need to listen to them and we need to get their ideas.

Just in July, we started a new new ideas program where a supervisor can reward an employee up to $250 for an idea that they submit that will improve the operation, and if it is an idea that can be used across the service, then they can get a larger reward for this.

We are trying to encourage people to do that and trying to encourage our managers to listen to what the employees are saying. That is what we have got to do. We have got to have managers and supervisors who are facilitators and not dictators. They have got to be able to facilitate our employees to do what they know how to do. We need to empower those employees to do that, and we are finding a lot of cases these days where they are doing that.

We are changing the culture some, but it takes a long time to change a culture of over 700,000 people. We can change some and then somebody else comes in and says that is not the way we are going to do it, we are going to do it the way we have always done it. But we are not going to do it the way we have always done it. We have got to get that culture done and we are in the process of trying to do that in every way we know how.

For example, the top 1,000 people of our management have been through what we call a 360 degree feedback process whereby their boss, their peers, and their subordinates grade them on how well they are doing, and then we use that information to take corrective actions by training whatever people need to do their job better. We would like to push that all the way down, but we have to get agreement with our associations and other people before we can do that, but we are doing those kinds of things to try to get the culture changed in the Postal Service so we can stop just the kind of things you are talking about there.

One of the things that we made as one of our goals, by the way, was to improve customer service. That is our number one goal. Now, you wouldn't believe that to listen to the comments that I am hearing today, which are all valid comments, but the fact is, in a lot of places, a lot of people are satisfying our customers better than they were before, but we have got a long, long way to go, and

I know that. You can't turn this battleship around in the middle of a river.

Mr. LIGHTFOOT. Coach, you are putting the team on the field and I know you are not like the old joke, the coach of the team that lost year after year after year, in the kick off of the first game of the season, the ball was in the air, and he said, well, wait until next year.

You talk about having to get agreement with the other associations and so on to put this in place to make these kinds of changes. As the number one person in the Postal Service, do you have the tools to do that? Is there something that this committee can give you, because I don't think there is much doubt that there needs to be a massive change in attitude, and a massive change in morale.

You know, suicides are probably higher in the Postal Service than anywhere else. These undercover TV shows, which I don't much care for, but nevertheless we saw one not too long ago that the guys were drunk when they got to work and they were going out and sitting in the mail truck and, you know, having a toddy. My God, they would get fired in any other business in the world for doing that.

Do you not have the tools? And do we need to give you some tools? Because I think this committee is ready to do it.

Mr. RUNYON. I will tell you what I would like to do. I would like to, for the record, give you some things that I think we could use some help in. We are trying to reinvent the post office. You are trying to reinvent government. The whole Federal Government is trying to go through a reinvention process. There are some changes that really need to be made to make us able to operate more effectively.

We are not a private organization. We cannot operate like a private organization. And there are some things with civil service rules and regulations that we probably ought to look at, and I would like to submit to the committee some ideas along that line.

Mr. LIGHTFOOT. I think that would be very helpful. Thank you, Mr. Chairman.

[The information follows:]

RECOMMENDED LEGISLATIVE CHANGES

With regard to recommendations about changes in civil service rules and regulations, we offer the following suggestions:

1. Regulations of the Merit Systems Protection Board (MSPB) should be amended to allow summary judgment where a hearing is not warranted. As it stands now, employees are entitled to hearings on all appeals over which the MSPB has jurisdiction, and are even entitled to hearings over whether the Board has jurisdiction.

2. The mixed case appeal procedures -- involving both the MSPB and the Equal Employment Opportunity Commission -- should be simplified or eliminated. Individuals should be required to make an election of forum -- either file a discrimination complaint with the EEOC if it is believed that an action was discriminatory, or appeal to the MSPB if it is believed that the action violated civil service principles. The current procedures are duplicative and much too complex.

3. Legislation or regulations should clarify that the EEOC is not authorized to award compensatory damages to complainants in the administrative process. Although the legislative history of the 1991 amendments to the Civil Rights Act shows that Congress did not intend compensatory damages to be awarded by a body other than a court, the EEOC has taken the position that it is authorized to award them.

4. MSPB regulations regarding interim relief should be amended. The purpose of interim relief is to ensure the employee does not suffer monetarily during the appeal process. The MSPB has created a body of law so complex and unforgiving that an agency is in danger of losing its right to have a petition for review considered if it attempts to comply with the Board's order for interim relief and gets it wrong. This is so even where the appellant does not complain about the relief provided by the agency.

5. Title 5 should be amended to authorize the Postal Service to appeal MSPB decisions to the Federal Circuit directly, without the need for the Office of Personnel Management (OPM) to make such an appeal.

6. Similarly, title 42 should be amended to allow agencies to appeal a decision of the Office of Federal Operations, EEOC, to a United States District Court or Court of Appeals.

7. Finally, the Federal Employees Compensation Act should be revised to reduce the potential for abuse, and remove unnecessary complications from disciplinary actions. Specifically, the Postal Service should be made at least a participant in the decision-making process regarding the approval and payment of claims. As it now stands, the Department of Labor unilaterally makes the decision whether to approve a claim, and the Postal Service has no recourse other than to pursue criminal or civil fraud actions against those employees who abuse the system.

Mr. HOYER. I would just observe, in light of the fact we have the Ranking Republican here and many Democrats on the committee, the committee of jurisdiction of course to do what Mr. Lightfoot says is the Post Office and Civil Service Committee, I want them to know that this Chairman understands that.

I know Mr. Lightfoot does as well, but this committee has responsibility to appropriate funds and obviously we want to make sure that appropriating those funds is effective and we will follow that activity and work very closely with Mr. Clay and Mr. Myers and others on the committee, and with Ms. Norton and Mr. Wynn and Ms. Byrne and the others from this area to make sure that that happens.

Mr. Wolf.

NORTHERN VIRGINIA SERVICE PERFORMANCE

Mr. WOLF. I thank you, Mr. Chairman. Just one question. It is a comment before I ask some specific questions.

Mr. Pankey, I went through your testimony. It unfortunately mentioned Maryland an awful lot and mentioned Virginia very, very little, and I know that was perhaps an oversight because you must have started out saying you were from Virginia, but we are equally important and equally concerned, and we will be equally aggressive to make sure that Virginia is dealt with.

Secondly, let me just say that I believe what Mr. Lightfoot has said is accurate. The morale in the Postal Service is at an all time low regardless of what your survey shows. Just stand as I do with office hours in every post office in each county in my district, the number of postal workers who come in, who complain about problems from sexual harassment to racial discrimination. Across the board these complaints are at an all time high.

Thirdly, the people that you have, and I would like to meet, if I could, with your Virginia team sometime where I just sit down with them just alone, because who you put in in those slots make a difference.

Years ago when we had this problem with GAO you put a man in—not you did, somebody put Leroy Brewer in.

Leroy Brewer came into Merrifield and did an excellent job and turned that operation around. Leroy Brewer has been moved out and since that time we have seen things drop. So people that are in there make a difference.

Let me just ask you one other—make one other comment. Is this accurate in The Washington Post the other day the article that they did on you in the magazine, said when Mr. Runyon took over in 1992, there were 773,696 postal workers and now there are 778,171.

Are there actually more on board since when you took over than——

Mr. RUNYON. As I mentioned a moment ago, our volumes have increased by over 6 percent and we have hired 50,000 new employees to take care of that volume.

Mr. WOLF. Since you came on?

Mr. RUNYON. Yes, sir. Now, what I would like to do is submit for the record also what we have been doing in that regard.

Mr. WOLF. Sure. What has been the increase in the volume of mail in Northern Virginia and what has been the number of increase in Postal employees?

Mr. RUNYON. Can you answer that? I think we will have to submit that for the record. I don't think he has been on the job long enough to be able to answer that.

[The information follows:]

VOLUME AND COMPLEMENT CHANGES

USPS is in the communications business, competing with private sector companies and new technology for the business of delivering America's messages. Upon accepting the position of Postmaster General, Mr. Runyon sought and received input on the Postal Service's competitive performance from major commercial mailers, residential customers, Congress and from Postal employees at all levels. Everyone said the same thing: to compete the Postal Service needs to change. It must act more like a business. It must reduce layers of management, especially at the top. It must reduce bureaucracy and layers of decisionmaking if it is to serve its customers well.

In 1992, the USPS was facing more than a budget crisis. Increasing postage rates and dissatisfaction with the level of service being provided was fueling competition, which in turn depresses postal volumes and revenues, leading to budget deficits. USPS needed to streamline its operations through reorganization in order to focus its efforts on becoming more competitive, accountable and credible.

Our first step in reorganization was to analyze all the work being done by the Postal Service to identify the fundamental elements of our charter, peripheral activities, inefficiencies, and redundancies. As a result of this process, a new organizational structure was designed to better serve our customers by being more responsive, productive and businesslike. Attendant to this process have been changes in our complement levels additional to those generated by the growth of postal business.

From July 1992 to July 1994, the Postal Service complement increased by 15,000 employees. While restructuring did reduce the number of overhead positions, other factors generated increases.. From July 1992 to July 1994, weighted mail volume grew by 6.6 percent and possible city delivery points by 1.4 percent. This growth in postal workload generated an increase in complement of approximately 45,000 positions. During this same time period, we upgraded our retail services and maintenance operations, generating another 4,000 increase to complement. Reductions to complement due to elimination of overhead positions totaled approximately 23,000. Automation program impacts resulted in a complement decline of nearly 22,000 equivalent positions as of July 1994.

In addition, since July 1992, there has been a change in employee mix, with career complement dropping by 14,500 positions. This shift is financially beneficial to the Postal Service because non-career employees are lower cost and may be used more flexibly with regard to duty assignments. Also, with a larger proportion of non-career employees in the workforce, the Postal Service has flexibility to reduce complement in the future as automation is implemented.

As of July 1994, Northern Virginia had a total complement of 7,401, an increase from July 1992 of 474 employees, or 6.8 percent. Mail volume statistics are available only at the national level.

Mr. WOLF. Could Mr. Carter tell us that? Mr. Carter, where do you come from? You are now in charge of all Northern Virginia, where were you before that?

Mr. CARTER. Louisville, Kentucky. Yes, Northern Virginia's volume has increased about 5.9 percent above the same period last year for that facility.

We brought in some temporary and casual employees to address that increase in volume. The problem in Northern Virginia that you addressed has been twofold. You talk about the morale issue. The morale issue in Northern Virginia is related to some changes due to automation, and in those changes, we have had a difficult time making the transition with the employees in Northern Virginia accepting the change dealing with this automated electronic environment that we are in.

I think that based upon our interfacing with the labor and management associations, that we are moving in a direction to correct that situation. As late as last night, I was in contact with the Dulles facility where they were addressing some morale issues dealing with the labor organization, and to the extent that they are creating some committees to address those concerns.

They have been tasked with—to come up with three ideas that will address issues such as morale, continued service improvement, and financial performance and rewarding systems to present to the plant manager, and collectively, between management and the labor organization to determine on how to implement those changes.

So I think we have taken the aggressive approach in dealing with those issues, but as Mr. Runyon has indicated, with any change, there is going to be resistance to the change and it takes time to change that culture.

Mr. WOLF. Well, maybe we can—Mr. Runyon should have said, yes, we can get together with your leadership in Northern Virginia since you are responsible. We can talk about those things.

What impact have the buyouts and staff cutbacks had in this area?

Mr. RUNYON. Well, when we——

Mr. WOLF. Are there more or fewer employees now in Northern Virginia?

Mr. RUNYON. Well, I can't answer that question. I can submit that to you for the record but I can't answer it. Maybe—Eugene, you can answer it?

Mr. CARTER. Yes. There has not been a reduction in the staffing in Northern Virginia in the plants. If there has been a reduction or a stabilization in the staffing requirements, it has been on what we call our customer services side of the house or delivery, but as far as the plant is concerned, with the advent of this automation and electronic system that we have in place, that system has allowed us to absorb the volume growth in Northern Virginia in the plant.

Mr. WOLF. But the question is about the buyouts. I was in one rural post office, which I won't mention, and you had one of your more senior people from the Washington office that was now running the post office. He had gotten involved in the buyouts and the cutbacks.

What impact have the buyouts had in regard to management with regard to the operation; do you know?

Mr. CARTER. As far as I know in the processing distribution side, none.

Mr. WOLF. I understand that supervisors get bonuses based on less overtime. Is that accurate?

Mr. RUNYON. I am not aware of a situation like that. Can you answer that?

Mr. PANKEY. No, sir, that is not accurate. That is not the case.

NORTHERN VIRGINIA MAIL PROCESSING

Mr. WOLF. We have been told that is the case. Maybe we can talk about that too. And is the policy of Fridays being a priority for church mail being abandoned? The number of churches that have contacted us saying they are not getting their church bulletins, you had a policy of Fridays being a priority for church mail. Has that been abandoned?

Mr. CARTER. No, it hasn't. In fact, we have even enhanced that where we don't just look at Fridays. It is an isolated mail stream that we treat just as we do first class. It is promised in the same time window and time frame as we do our first class mail stream.

Mr. WOLF. I have happened—I have been told that when I have gone and my staff has gone to visit the Merrifield or Dulles facility, that the mail has been cleared out of the facility prior to the visit.

In addition, employees tell us, and I am told, that they have been ordered to backdate mail. Has any supervisor been disciplined for backdating mail or clearing mail out in anticipation of visits?

Mr. RUNYON. If they have done that, they certainly should be disciplined. I would think that ordering people to backdate mail and hiding mail, or however you want to call it when you are clearing it out, I think that should be a dischargeable offense.

Mr. WOLF. Has there been any discharge in Northern Virginia for that error?

Mr. CARTER. No, sir, there has been no call for backdating mail.

Mr. WOLF. We have had calls, and Mrs. Byrne has had calls, that the mail was cleared out. We have had stores of things put in tractor trailer trucks. I read that in regard to southern Maryland where they put them in tractor trailer trucks, so this would not technically be in the post office.

FRAUD HOTLINE

Do you have a 1–800 hotline whereby your employees can call in and let people know, management know what is going on without being identified?

Mr. CARTER. What I have in Northern Virginia—I can't speak to——

Mr. WOLF. This is more to Mr. Runyon. Then we can go—is there a 1–800 number that Postal employees can call in?

Mr. PANKEY. Yes, sir, Congressman Wolf. We do have a national number that they can call on and a hotline.

Mr. WOLF. Do they use it much?

Mr. PANKEY. I would think so. In some cases, depending.

Mr. HOYER. What is the number?

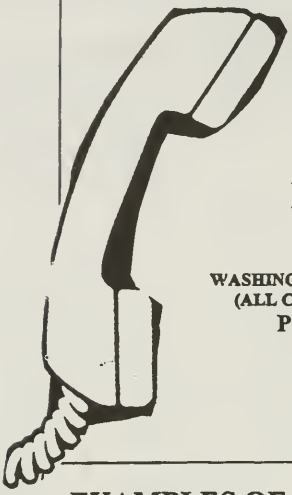
Mr. WOLF. What is the number? That is a good question. What is the number?

Mr. PANKEY. We would have to submit that to you.

Mr. HOYER. No, no, no. Let's find it out before we end here.

Mr. PANKEY. We will do that.

[The information follows:]



POSTAL CRIMES

HOTLINE
CALL TOLL FREE
1-800-654-8896

WASHINGTON DC AND VICINITY CALL 202-484-5480
(ALL CALLS ARE CONFIDENTIAL) OR WRITE:
POSTAL CRIMES HOTLINE
475 L'ENFANT PLAZA SW
WASHINGTON DC 20260-2175

EXAMPLES OF POSTAL CRIMES:

- Frauds against the Postal Service.
- Theft or destruction of mail, postal equipment and property.
- Theft of postal funds.
- Willful delay of mail.
- Use or sale of drugs on postal property.
- Assaults/threats against postal employees.

Report administative, discipline or delivery problems to your supervisor or Postmaster.

Mr. WOLF. Because these people are coming up, but other times, we have the office hours in a post office. I literally go to the post office and stand in the post office for several hours.

A number of the Postal employees from that post office and from others around come, and they will say this and they will say that, and there must be a mechanism whereby they can honestly get this complaint in and tell without there being any concern with regard to their job security—how would an employee do that in Northern Virginia?

At Dulles they told me they were stacking them up in trailers and moving them. How would they call the Postal Service to make sure that——

Mr. CARTER. Well, in the Dulles facility, as I know in discussing with the plant manager there, they have a—what they call a CSI box, an internal CSI box, same as we have in Merrifield, that if there were some concerns addressing the facility, that they could put their concerns in that box with a requirement that a response is to be back to those individuals within 48 hours of receipt.

Mr. WOLF. I am really talking about whereby they can do it without getting a response back to them because the concern has been on some of them, they don't really want to be identified with this complaint.

We would get a call saying you have been out to this facility, what they did is they did this, they did this. They don't want to tell the supervisor, and Mr. Runyon, you can understand that. They would just rather make the report and have somebody from your IG's office follow it up.

I think you really need a mechanism, and I agree with the comments that have been made, most of your people are very, very good people. In fact a lot of people I talk to are outstanding people, but they really need a mechanism whereby when they know there is backdating, and they know there is stuff in tractor trailer trucks, and they know there is sexual harassment, and they know the funds are being misused in different ways, that they can call in, get it into somebody in your IG's office, that they know the complaint will be kept privately and there is no way getting back to them whereby their career can be ruined, and I think that is very, very important.

I have taken enough time. I just say, Mr. Chairman, maybe in following up, if you could, maybe the thought should be of reconvening a hearing in 60 days or 90 days to monitor to see, because we have all had the experiences of things getting better, the line goes up, and then all of a sudden it drops down.

Now, have a hearing sometime in November, because I am really concerned that with the number and the Christmas crush coming up, we are fortunate we are not at Christmas, with the number of L.L. Bean catalogs, Lands End, you name it, coming, if this system is not corrected before we get into November, this system will come to a grinding halt here.

The Chair might want to consider holding another hearing sometime in late October or November whereby we can follow up to see the progress on how things are going.

FURTHER HEARINGS SCHEDULE

Mr. HOYER. I thank the gentleman from Virginia. Let me announce to everyone at this point in time, although I have not picked a specific date, as you know, I have asked Senator Sarbanes and others on this committee have asked for two studies to be done, one by the GAO which is going to report back on January 31st, but we have asked for our investigative staff of this committee to report back on September 6th. It is my intention to have a hearing subsequent to September 6th for the purposes of an update to see how successful we have been with interim measures.

We then intend to have another hearing sometime around November 15th, and we will then have a hearing subsequent to the GAO's reports. The gentleman has anticipated what I think makes prudent sense, having been at this for some period of time. I looked at the Price Waterhouse periodic studies and every time I looked at them, I got angry because Postal Service in Washington was not coming up to or exceeding the national average. The gentleman from Virginia has anticipated my plan. We are going to periodically review this.

Mr. Visclosky.

Mr. VISCLOSKY. Mr. Chairman, thank you very much.

Mr. Runyon, thank you very much for being here.

Mr. HOYER. I don't mean this for Mr. Visclosky. We have a number of witnesses I want to get to, ladies and gentlemen. I know by 12:30 we are all going to start to slip away, so if we can try to be as brief as possible so we can get to all our witnesses.

Mr. Visclosky.

CHICAGO SERVICE PERFORMANCE

Mr. VISCLOSKY. Thank you very much, Mr. Chairman. The hearing, as I would understand it to this moment, has tended to focus on the Washington metropolitan area, but in your written testimony, you allude to the situation that the Postal Service faces in the City of Chicago.

You recall that we had a conversation with Mr. Yates during the hearing on March 23rd relative to Chicago. I have the statement by Mr. Samuel Green to the Board of Governors on June 7th, and also then have a statement, Mr. Runyon, made by William Good at a meeting again of the Postal Service Board of Governors on July 12th relative to the situation in Chicago.

The first thing is, I would want to thank you, the agreement we had on March 23rd is that you would get back to Mr. Yates within 90 days on at least an interim basis as to progress made. You have done that.

Also, in looking at the testimony that was presented on June 7th, again by Mr. Green, there was at least some focus on the five postal stations along the lake shore that Mr. Yates had a concern about. That is Lincoln Park, Lakeview, Uptown, Graceland and Logan Square.

As I read this, and my first question would be, what is the status of the improvements at these stations? It is indicated that in two stations, Graceland and Lakeview, performance has continued to

improve and that they met task force requirements as of, again, early June.

On May 27th, Uptown successfully met the task force's criteria. We are making solid progress at Lincoln Park, and that next, the task force would turn their attention to Wicker Park, as well as Logan Square, Lincoln Park and Logan Square being the other two locations Mr. Yates had concerns about.

Could you update the committee and myself as to the status on Lincoln Park, as well as Logan Square?

Mr. RUNYON. I can't personally do that at this time because I don't follow each post office individually, but I would be very happy to share that with you by the record.

[The information follows:]

CHICAGO SERVICE - LINCOLN PARK AND LOGAN CIRCLE

In a continuing effort to improve service performance, the following changes have been implemented at the two stations in question:

Lincoln Park:

- New computerized floor plan layout helps to get mail to the carrier case faster.
- Continued improvement with curtailed mail.
- Complete route evaluation for delivery area. In one month there will be an inspection and route review.
- Call Center is working. Results have been positive.
- New fleet of vehicles is reducing vehicle breakdown.
- Collection boxes have been painted and Label 55 put on. Collection times are posted on all boxes, and collection monitoring is being accomplished through the use of test letters.
- Bulk rate mail is being delivered on time.
- No record volume of CFS mail is near 10%. Quality control checks are being performed.
- Sick Leave goal is being achieved.
- Window service hours have been extended to 7:30 am to 5:00 pm.
- Lobby director being used during peak hours.

Logan Square:

- Carrier starting time has been changed from 6:30 am to 7:00 am, which will reduce carrier overtime.
- Recruiting Spanish speaking window clerk.
- All incoming mail being delivered when received.
- Area manager makes daily station checks.
- Window service hours have been extended to 7:30 am to 5:00 pm.
- Customer Advisory Council being formed; should be in place by September 1.

Mr. VISCLOSKY. Okay, if you could. Mr. Good's statement on July 12th, a couple of weeks ago, talked about a number of things, including establishing goals, and again, this is Chicago specific.

I guess I have some consternation here because the statement was made on page 2, "That our strategy for improving mail service in Chicago has been to build on this foundation of support and focus our efforts on the basics, goals, teamwork and system performance day in and day out, city wide, goals being number one."

Again, within the last two weeks, the testimony would be that the advisory council has wanted to set goals that are clearer, measurable, and customer focused, like specific time targets for box deliveries, earlier mail delivery times for Chicago businesses, and completion of our routes so that our carriers can be back in the office by 5:00 p.m. We are not there yet in achieving our goals.

When will the advisory councils for Chicago establish those goals and how would they perhaps differ from your normal performance measures that have been discussed at today's hearings? The report has been received by Mr. Yates. I had a conversation with him within the last hour.

Mr. RUNYON. Well, I think we need to sit down with Mr. Yates or his staff and go through these details that you are talking about. I am really not up to date on those details, but we would certainly be glad to sit down with his staff.

I know we have been meeting with his staff on occasion talking about various things that have been brought up, but I would certainly be glad to volunteer our people to meet with his staff or with him to discuss those specific items.

Mr. VISCLOSKY. For my benefit as a Member of the committee; I now divorce myself from Mr. Yates' specific concerns, if I was to look at those five stations or any other postal station or metropolitan area, what three or four performance standards, setting aside the fact that the goals have been established in this specific instance, should I be focusing on to see if improvements have occurred in the last 90 to 120 days in Chicago or not?

CHICAGO SERVICE INITIATIVES

Mr. RUNYON. Well, there are several things that we have been working on in Chicago. One is getting mail on time overnight, and another is to get the stations, and there are about 50 stations in Chicago that we have been working on, to get those in good physical condition, to make sure that the machines in the lobbies work and have change in them and have stamps in them and that they actually operate.

Another thing that we have been checking on weekly is the courtesy that people get when they make a phone call to one of those stations, and we are also setting up a 1–800 number there.

It is our intention in the Postal Service to have a 1–800 nationwide that when you call that 1–800 number, depending on where you are calling from, the call would rotate to that particular area so that they could deal with the problem, and have people that know how to deal with that problem.

It is—it is somewhat difficult to train every person in every post office how to handle a telephone conversation or to answer the questions when that is not their normal function, so we need to

have that set up so that we can satisfy the customers as they call. So that is another area that we have been checking on.

We have also been checking on the boxes where carriers pick up mail, to see if there is any mail left in those boxes after it is supposed to be picked up, because that means that letter is going to be late. If we leave a letter in there, that letter will be late. It will not be delivered overnight if it is for in town. So we are checking that.

We are also checking vehicles when they come back, did the letter carrier in fact deliver all the mail or was there some left in the vehicle. So we are checking all of those kinds of things. We are checking to see what may be on hand. We are, in fact, delivering the third class mail—we get third class mail and it has got dates on it when they would like to have it delivered. It is not overnight necessarily. It could be within a week they want that mail delivered.

Mr. VISCLOSKY. If I could ask you on that, you do have statistics showing improvement between apparently March and July in Chicago of on time delivery from 2.7 days late in March to 1.3. Is that a weighted average between your overnight first class, some of your bulk rates?

Mr. RUNYON. That is First Class. That is a First Class measurement.

SERVICE STANDARD

Mr. VISCLOSKY. Do you have rates established for the other pieces of mail?

Mr. RUNYON. Yes, there is different—well, you know the standards better than I do.

Mr. PANKEY. There are different service standards for different classes of mail.

Mr. VISCLOSKY. Are those computed by station? If I asked for those figures relative to Lincoln Park or Graceland, for example, could the committee receive those?

Mr. PANKEY. They are generally computed by a three-digit ZIP code area. For example, 202, Washington, D.C., has a service standard for all classes of mail by date.

Mr. VISCLOSKY. So that would apply in this case to the metropolitan area as opposed to the specific stations?

Mr. PANKEY. Yes. We do have the service standards and we could supply it to the committee.

Mr. VISCLOSKY. For the various classes of mail delivery and their timeliness in the Chicago metropolitan area from March to the latest time that statistics are available, if you have measurements that are also standard outside any new goals being established, for situations such as the vending machines, I would appreciate if the committee could receive those for the record.

[The information follows:]

CHICAGO SERVICE PERFORMANCE

There are three defined standards for the delivery of First-Class Mail. Mail originating and designating in a local area has an overnight commitment. Mail traveling outside of the local area, but within 600 miles, generally has a two-day commitment. Otherwise, the commitment is for delivery within three days.

The on-time service performance for First-Class Mail in Chicago has been as follows:

	QUARTER II	QUARTER III
OVERNIGHT	65.6	75.0
TWO-DAY	58.5	59.0
THREE-DAY	59.0	71.3

Results for Quarter IV will not be available before October.

Express Mail is primarily an overnight service. Between Chicago and other major market areas the commitment is for delivery by 12:00 noon or 3:00 PM the next day. Areas not served by the major market network are limited to second day service. The Express Mail total network on-time performance for Quarters II and III was 88% and 93%, respectively.

Priority Mail is positioned as a two-day product line. However, it is recognized that there are a few remote areas that cannot be reached within two days. These are committed to three-day delivery. We also strive to deliver local Priority Mail overnight. The volume of Priority Mail delivered within two days for Quarters II and III was 69% and 72%, respectively.

Second-class mail delivery commitments range from overnight to seven days based on geographic distance between the point of origin and the point of destination. There are no on-time service performance figures for second-class mail available at this time.

Third-class mail delivery commitments range from three to ten days based on geographic distance between the point origin and the point of destination. There are no on-time service performance figures for third-class mail available at this time.

Parcel Post delivery commitments range from two to nine days. Parcels committed for two- or three-day delivery include parcels recorded for delivery within an area or between contiguous areas. Longer haul parcels flowing between non-contiguous areas generally have a four to nine day commitment. Parcel Post performance is grouped into two categories: Two- and Three-Day Service, and Other.

For Postal Quarter III, March 5 through May 27, 1994, the on-time service performance for Parcel Post in Chicago was as follows:

	QUARTER II	QUARTER III
TWO/THREE DAY	22.7	49.0
OTHER	26.5	26.3

Progress in our efforts to improve retail operations is measured by the Customer Satisfaction Index (CSI). These questionnaires are mailed out once each quarter and reflect the perceptions of our customers on their experiences over the previous 90 days. Thus, the most current data for Chicago is based on surveys mailed in March. Information from the surveys mailed in June will be available until September.

Chicago Metro Service Standards
(Delivery Days)

First-Class Mail

Originating 3-Digit ZIP Code	Destinating 3-Digit ZIP Code							
	600	601	602	603	604	605	606	607
600	1	1	1	1	2	2	2	2
601	1	1	1	1	2	2	2	2
602	1	1	1	1	2	2	2	2
603	1	1	1	1	2	2	2	2
604	2	2	2	2	1	1	2	2
605	2	2	2	2	1	1	2	2
606	2	2	2	2	2	2	1	1
607	2	2	2	2	2	2	1	1

Second-Class Mail

Originating 3-Digit ZIP Code	Destinating 3-Digit ZIP Code							
	600	601	602	603	604	605	606	607
600	1	1	1	1	2	2	2	2
601	1	1	1	1	2	2	2	2
602	1	1	1	1	2	2	2	2
603	1	1	1	1	2	2	2	2
604	2	2	2	2	1	1	2	2
605	2	2	2	2	1	1	2	2
606	2	2	2	2	2	2	1	1
607	2	2	2	2	2	2	1	1

Third-Class Mail

Originating 3-Digit ZIP Code	Destinating 3-Digit ZIP Code							
	600	601	602	603	604	605	606	607
600	3	4	3	4	4	4	4	4
601	4	3	4	3	4	4	4	4
602	3	4	3	4	4	4	4	4
603	4	3	4	3	4	4	4	4
604	4	4	4	4	3	4	4	4
605	4	4	4	4	4	3	4	4
606	4	4	4	4	4	4	3	3
607	4	4	4	4	4	4	3	3

Fourth-Class Mail

Originating 3-Digit ZIP Code	Destinating 3-Digit ZIP Code: 600	601	602	603	604	605	606	607
600	2	2	2	2	2	2	2	2
601	2	2	2	2	2	2	2	2
602	2	2	2	2	2	2	2	2
603	2	2	2	2	2	2	2	2
604	2	2	2	2	2	2	2	2
605	2	2	2	2	2	2	2	2
606	2	2	2	2	2	2	2	2
607	2	2	2	2	2	2	2	2

Priority Mail

Originating 3-Digit ZIP Code	Destinating 3-Digit ZIP Code: 600	601	602	603	604	605	606	607
600	1	1	1	1	2	2	2	2
601	1	1	1	1	2	2	2	2
602	1	1	1	1	2	2	2	2
603	1	1	1	1	2	2	2	2
604	2	2	2	2	1	1	2	2
605	2	2	2	2	1	1	2	2
606	2	2	2	2	2	2	1	1
607	2	2	2	2	2	2	1	1

Service Performance - EXFC
PQ3 FY94
(March - May 1994)

% Ontime

	Overnight Service Commitment	2-Day Service Commitment	3-Day Service Commitment
Chicago (606, 607)	75	59	71
North Suburban (600 - 603)	80	77	81
South Suburban (604, 605)	85	82	80

Schedule of Retail Improvements in Chicago

Improvements in Retail operations in Chicago was approached in two ways based on information gathered from recent reports and surveys. It was determined that lobby conditions and courtesy

training for retail employees are two areas that have the greatest potential to improve customer satisfaction. Since March 27, a team of postal managers from different parts of the country have worked shoulder to shoulder with Chicago employees to develop a standard operating approach for assuring on-going improvements.

All window clerks, station managers and supervisors have received training in improving customer satisfaction and weekly Inspection Service report cards show steady improvement in courtesy. On-going training is occurring through frequent service talks about various customer service topics.

Lobby conditions have been given attention along two fronts, appearance and waiting time in lines. All lobbies in Chicago have been professionally cleaned and a plan to continuously maintain appearances is implemented. Also, many lobbies in need of paint have been painted and identified repairs have been made. Rogers Park has received quite a face lift, for example, with customers and employees expressing approval of the improvement.

All vending equipment in Chicago has been repaired and replaced with the latest model where necessary. An 800 emergency phone line has been set up for management to call when a machine is down, and thus, response time to get it up and running again is greatly increased.

Waiting time in lines is an on-going effort, and in offices where the task force has concentrated, waiting time has been significantly reduced. Standard approaches to achieving the national goal of 5 minutes or less is being shared with all post offices in Chicago.

Mr. VISCLOSKY. You mentioned the additional emphasis on service and courtesy, and I appreciate that. I note in both of the statements that I have alluded to that there has apparently been a reduction in the number of complaints.

I do find that progress. So if you could report back to us, I would appreciate it. I don't want to castigate the gentleman. I understand you have got a particular problem in this area and clearly we have one in Chicago that remains pending.

I do think generically the Postal Service, if you look at pieces of mail delivered, continues to lead in this Nation as far as efficiency and the people who work in the service ought to be proud of that, but clearly I think it really inhibits your ability to function effectively unless people are convinced we are seriously dealing with this.

Thank you, Mr. Chairman.

Mr. HOYER. Mr. Istook.

Mr. ISTOOK. Thank you, Mr. Chairman. You know, there is one thing that hasn't been said. Before the hearing is over, I am sure somebody is going to say it, so it might as well be me. We hear it from our constituents all the time, which is namely that if you like the way the mail is being delivered, you will love government-run health care. Only in Washington would that not draw a laugh.

But I think there is a real problem——

Mr. HOYER. Mr. Istook, will you yield just one second?

Mr. ISTOOK. If it doesn't come out of my time, Mr. Chairman.

Mr. HOYER. You understand the United States Postal Service is 40 percent more productive than number two in the world and number two in the world is Japan? Irrespective of what the problems are, we deliver 170 billion pieces of mail a year, 1.7 billion is a 1 percent mistake.

I just computed it. Four hundred sixty-five million pieces per day. Now, I am angry about what goes on here, but I will tell you, in terms of price and productivity, we have the best—you said of the G–7. It is essentially the best in the world.

Mr. RUNYON. And it is not subsidized.

Mr. ISTOOK. We could debate those particular points, but of course the things that brought us here are the concerns with millions of pieces of mail undelivered in this particular area.

Mr. HOYER. That is correct.

Mr. ISTOOK. And with an internal performance rating of something like 62 percent, and certainly if the government did not see some responsibility for what has happened with the Postal Service, I don't think we would be here.

Mr. HOYER. You are absolutely correct, which is why we are having this hearing. We will get back to the subject.

Mr. Istook.

POSTAL RESTRUCTURING

Mr. ISTOOK. So I don't think we ought to say that government has no responsibility or subsidy or however you want to phrase it. But I do know that people want the mail to be like flipping a light switch. You know, you turn the switch and the light comes on. You put the letter in the box and it gets there, and it gets there in a timely fashion, and some people fear that mail delivery, at least in

this area, is more like buying a lottery ticket, that you are taking a bit of a gamble.

Now, I would like to start by asking, when you mentioned the buyout, which relates to the number of people that you have on the job and whether you have sufficient people to do the job, you mentioned that since the buyout, 50,000 people have been added.

It is my understanding that the buyout terminated 47,000 people, about three-fourths of which, according to the numbers I saw in The Washington Post Magazine, were hands-on people.

What was the cost ultimately of the buyout?

Mr. RUNYON. I believe it was $1.5 billion, but I would like to submit that for the record.

Mr. ISTOOK. Sure.

[The information follows:]

COST OF THE POSTAL SERVICE BUYOUT

The cost of the retirement incentive offered by the Postal Service in the FY 1992 restructuring was approximately $902 million.

Mr. ISTOOK. In round figures, there were about 47,000 postal workers who were terminated through the buyout at a cost of $150 billion roughly and then they were replaced with 50,000 workers. Was that the same mix of people, hands-on versus nonhands-on, management versus on the line?

Mr. RUNYON. No, they weren't. The fact is we reduced overhead cost annually $1 billion because of the overhead positions that were eliminated. It is an ongoing saving of $1 billion a year.

Mr. ISTOOK. Do you offset these 50,000 new employees any place when you calculate a $1 billion annual savings?

Mr. RUNYON. Well, the 50,000 employees that I am talking about are there to handle the new mail. When I say the volume went up——

Mr. ISTOOK. And the old employees would have handled the old mail if they would have stayed on the job.

Mr. RUNYON. No, they wouldn't.

Mr. ISTOOK. They would have been disqualified from handling mail?

Mr. RUNYON. Well, we didn't reduce the employees handling the mail. Yes, some of them retired. We had to replace those employees and we did do that.

But we—what we were trying to do was reduce the overhead, which we did do by $1 billion a year. Now, when I say 50,000 employees had been hired, and I said I would supply for the record the whole thing because there are other things that happened during this period of time. There have been some positions that have been reduced because of automation. We have been able to do that because we have agreements with our unions that we hire transitional employees so that as automation comes in and a job disappears, it is not a career employee that leaves. It is the transitional employee.

Mr. ISTOOK. Regarding your assertion that it was the people who were not handling the mail that left, you may want to contact The Washington Post, and the July 10th Washington Post Magazine. They stated that of the 47,000 employees who took part in the

buyout, 16,882 were clerks and 11,933 were carriers and both of those were categories of people who handled mail.

Mr. RUNYON. That is correct, and they had to be replaced. They had to be trained and replaced on their job. That is just the result of what happened. But the fact is, we did reduce $1 billion worth of overhead.

Mr. ISTOOK. Are the new employees making less than the old employees?

Mr. RUNYON. Well, they come in on a scale that is whatever the scale is for a career employee, and, yes, they make less. A new employee makes less than an employee that has been there 20 years, yes, sir, they do, but they receive raises along the way and before long, they are making the maximum too.

Mr. ISTOOK. I think what would be informative would be to have a document, perhaps you may be able to prepare it, of the 50,000, round figures of course, new hires since the buyout, what is the annual payroll being paid for the new hires and what was the annual payroll for the 47,000 some odd former employees who participated in the buyout? I think that, side by side, would be very important in showing whether any savings have actually materialized.

[The information follows:]

SAVINGS FROM THE BUYOUT

Of the 47,828 employees who accepted the buyout, approximately 23,000 were in overhead positions which were not replaced, resulting in an annual expense savings of approximately $1 billion.

Mr. ISTOOK. I would like to note regarding the revelation of the undelivered mail in this particular area, has anyone been dismissed or in any way suspended where there is a financial penalty for that employee that was involved in this backlog in what appears to have been a concealment of it?

METRO AREA MANAGEMENT

Mr. RUNYON. As Mr. Pankey pointed out, we do have one employee that has been on temporary assignment. We have to investigate. We just don't jump right quick and say, okay, you did it, you are fired.

We need to have facts and we need to look at the facts. There may be more than one person involved in that and that is what we are doing now.

Mr. ISTOOK. For the particular person on temporary assignment, there is no pay differential for that individual?

Mr. RUNYON. No, sir, nor do I believe there should be.

Mr. ISTOOK. And when did that inquiry begin and when will it end regarding whether there will be any personnel actions taken against those that were involved in this backlog?

Mr. RUNYON. Well, it began——

Mr. ISTOOK. Understand, Mr. Runyon, I am concerned more about the concealment than whether there was a backlog.

Mr. RUNYON. I am too. I am too. I am concerned about the backlog, but I am more concerned about the concealment.

Mr. ISTOOK. What are those personnel action prospects, if any?

Mr. RUNYON. Well, it depends on what the investigation reveals and you asked when it will be done, and I really can't answer that.

I am not personally making that investigation. Our inspection service is and when they give us the facts, then we will know what they are.

Mr. ISTOOK. How long have they been working on it?

Mr. RUNYON. I will have to submit that for the record. Our chief inspector would be able to answer that, but I can't.

[The information follows:]

TIMEFRAMES FOR THE INSPECTION SERVICE INVESTIGATION

A report of the Inspection Service investigation of the Southern Maryland Plant Manager was provided to Mid-Atlantic Area Operations Vice President Henry Pankey on August 8, 1994.

Mr. ISTOOK. You have not given them any deadline?

Mr. RUNYON. It is very hard to give a deadline to somebody to determine what facts need to be uncovered because if they don't have the complete facts by the deadline, then I will be making—or not me, I won't make the decision about that employee, somebody else will make that decision, they will be making the decision based on incomplete facts, at which time that decision will be appealed, and I will guarantee you we will lose the appeal.

Mr. ISTOOK. Why is that?

Mr. RUNYON. That is just the way it works. If you don't have all the facts correctly when you do take an adverse action against an employee, there are certain appeals the person can go through, and we don't want to take action against an employee unless it is exactly right.

Mr. ISTOOK. I would point out, and I am sure you would share this sentiment that when you talk about potential personnel actions against persons involved, I am sure you do not want to, and certainly you should not, be looking for scapegoats.

However, you should be looking to send a message to that culture, which you said is the real problem, the culture of the Postal Service. Persons who are engaged in improper activity as a postal worker or otherwise should expect there would be action taken against them.

When the people in this particular area have the low performance regarding delivery of the mail, the Postal Service, I understand, has a mechanism of personal performance evaluations where you are looking at the quality of the work and, their ability to complete their assigned task in a proper manner.

Is there any difference between the personal evaluations of general employees or management personnel in this region of the country and the performance ratings of your employees in other parts of the country?

Do you rate them the same? Do they seem to be performing just as well by your internal standards?

Mr. DONAHOE. Congressman, I would like to answer that. We hold everyone, including in the Washington Metro area, to the same standards nationally. Nobody is——

Mr. ISTOOK. Do they measure up as well then?

Mr. DONAHOE. Yes. We find that the people measure up just as well here as everywhere else.

Mr. ISTOOK. According to your own internal mechanisms then, whatever the problem is, it is not the abilities or the performance

of the employees, because either that or your evaluations of the employees are messed up.

Would that be correct then, that you are saying this problem is not one of performance of employees, because your employee evaluations are just as good here as they are elsewhere?

Mr. DONAHOE. That is correct.

Mr. ISTOOK. So that means the problem has got to be at the management level?

Mr. DONAHOE. It is not just at a management level. There are some systems issues that are—that——

Mr. ISTOOK. Who is in charge of systems? Is it not management?

Mr. DONAHOE. It is management at the local level where I am and up in the area in headquarters level also.

Mr. ISTOOK. Regarding your local management, when you have performance evaluations of them, are their performance evaluations in this area equal to the performance evaluations in the rest of the country then? Is it local management?

Mr. DONAHOE. On par, Congressman, yes, they are.

Mr. ISTOOK. Okay, so we are up to a level then, by your own admissions, if I understand you correctly, the reason, this comes to the upper management?

Mr. DONAHOE. No, sir.

Mr. ISTOOK. Then fewer people perhaps aren't performing well enough on the lower level then?

Mr. DONAHOE. Let me just say that people perform at the same level approximately all over the country. We have in the Washington metropolitan area a very good, dedicated group of employees, whether they are letter carriers or clerks or managers, supervisors, in all different areas, mail processing operations and in delivery and post office operations.

We do have some people who are not able to come up to the task of doing their jobs. We set goals in the organization and for those employees that are not able to do that, we do move them to different jobs where they are able to perform to their capabilities.

Mr. RUNYON. Mr. Istook.

Mr. ISTOOK. I understand you to say——

Mr. HOYER. Mr. Istook, if you could ask one last question.

Mr. ISTOOK. Certainly. I am sorry. Mr. Runyon was trying to say something before I did.

Mr. HOYER. Excuse me. General.

Mr. RUNYON. What I wanted to say is we are like any other large corporation. As a matter of fact, we are the largest corporation in the United States, except for the entire Defense Department, and we do have problems with some employees and we do take measures to correct those problems.

When you get the employee opinion survey, you will find that one of the things that the employees say very loud and clear is that we do not discipline employees that are not doing a job the way we should, and the people who do their job well get more work, and we are working on that situation with our supervisors and our managers to overcome that. That is part of the culture change, but we have got to get that changed.

Mr. ISTOOK. Okay. It just seems to me that when you look at your own evaluation process, if they evaluate as well as people elsewhere in the country and if that means it is upper management, it seems to me after that logic was established, people started to back off and say, well, maybe there are some employee problems.

The last question I did want to ask, realizing that hand processing is more difficult when you must hand process a piece of mail, is there any significant difference in the volume of handwritten, hand-addressed, or poorly or illegibly addressed mail in this area as opposed to other areas of the country, as compared to other areas of the country?

Mr. DONAHOE. I would like to answer that. It is not so much poorly addressed or poorly handwritten. What we face in the Washington metro area, specifically in Washington itself are some directionals and some quadrant identification marks in this city.

You have a lot of the same streets here that run into different quadrants, so you might have 1600 Pennsylvania Avenue at two different areas. It is very important to have Southeast, Southwest, Northeast, Northwest, and the directionals, and they do cause us some problems.

Secondly, from an address standpoint, one of the reasons why we are establishing the advisory council with the government agencies is to try to resolve some of the addressing problems that exist with government agencies.

The government agencies have got unique Zip codes. We have programmed our sorting mechanisms to sort that way. A lot of mail, however, comes in addressed to street addresses and that is what causes some of the delay problems where we try to find out just exactly where—which building for the government agency we should try to get that mail delivered.

Mr. ISTOOK. I understand when you mentioned the quadrants. Mr. Chairman, I take it there is some poor soul that may live at 1600 Pennsylvania Avenue Southeast that is getting a lot of Mr. Clinton's mail.

Mr. DONAHOE. There is no such address. I checked that.

Mr. HOYER. Anticipation is important. Mr. Donahoe, let me make an observation. The payoff in RBI's——

Mr. DONAHOE. Yes, sir.

Mr. HOYER. What I mean by that, as you know, we are below average. There has got to be a reason because somebody is hitting an average and because it is an average, somebody is doing better.

We are going to find out and we are going to change it, period. Now, for our guests, I am going to recognize you very briefly, but we have Mr. Biller and Mr. Sombrotto that I want to hear from. We have consumers I want to hear from.

We are going to have to hear from all of them quickly because I know we are going to lose Members at 12:30 at the latest and I am going to recognize Senator Sarbanes and Mr. Wynn and Ms. Byrne for a couple of minutes apiece.

Senator SARBANES. Well, Mr. Chairman, you have been very generous to include us in the hearing and we very much appreciate that, so I am not going to direct any questions to the witnesses. Although I obviously would have a number of questions, I understand the press of time.

I know you want to get on to the other witnesses, so I will forebear. I do want to make this observation though to the Postmaster General and his associates: There is a tremendous disparity in the performance of the Postal Service across the country.

There are some cities and locations where you do a very good job, people are very satisfied, the standards are being met, and the percentage of mail on time is high.

There are other places like this area where it is very poor and very low. So the system is able, at least in some places, to deliver quality performance. Now, in other places it is not able to do so.

That would lead one to the conclusion that there is not something endemic to the Postal Service itself that it can't do the job, since it is doing a good job in enough places that one can say, well, you know, they can perform there.

So the essential question is, what is it that is lacking in these places where there is poor performance as compared with the places where there is good performance that leads to this tremendous discrepancy in the standards that you are meeting?

Now, I have to tell you, I am inclined to believe it has got to be management. There is a deficiency somewhere in the managerial arrangement, whether it is the person at the particular district office or in the region or how the two relate.

I also accept the proposition that there may be some systematic problems in the large urban areas that you need to address, since you seem to be having a lot of your problems there, but it seems to me that is what you need to identify, and to pinpoint and to make the changes here that would bring us up not only to the average, but above it.

I do think frankly that the delivery of mail in the Nation's capital, given the nature of the work that is done here, ought to be a very important responsibility and you ought to have a better performance than generally characterizes the rest of the Nation. It certainly ought not to be at this bottom of the heap.

Thank you for having——

Mr. RUNYON. Senator, you are exactly right in what you are saying. We have the processes in the Postal Service that will do the job right. What happens in some cases, people change the process and they think they are doing a better job with a new process or they eliminate part of it, or they just don't do what they are supposed to do.

Senator SARBANES. Well, something is wrong when they stick a 1 point——

Mr. HOYER. One point seven million pieces of mail.

Senator SARBANES. Sit the pieces of mail out in a truck and let it sit there. Someone is not doing the job. Someone ought to say, what the hell is it doing out here, who is doing it and ought not to let it happen.

Mr. RUNYON. We are saying the same thing. The process is not to put mail in trailers and let it sit there. That is not our process.

Our process is to bring the mail in, get it processed, and get it delivered. What I am saying is that people make some decisions that are not good decisions or they stop doing something that they should be doing. You know, for example, our history in Chicago, and I can't give you the histories here yet because I didn't go into the degree that we did in Chicago yet, but when we find that people are not picking up mail in the drop boxes like they should and mail would be there for 20 days, that is not the process. The process is pick it up every day, every letter, and so we have got to get in and make sure that people really understand what they are doing, and that is what it is all about, and we will see improved service here.

Senator SARBANES. Thank you.

Mr. PANKEY. If I may, Senator, it is just a real simple process of matching the resources with the work load and that is what we are doing right now. We think you will see the service improve dramatically.

Mr. HOYER. Thank you.

I think that is a good point about resources and work load. Maybe the work load has picked up here and we have not gotten resources fast enough.

I have to share an experience in Bowie, and these are all anecdotes. She has family in Philadelphia. She writes to Philadelphia and it takes usually three days or less. They write to her, she said it takes as long as 15 days.

Now, that is anecdotal and I have not checked it out, but the bottom line is mail going to Philadelphia gets to her family, her family's mail to her takes a lot longer. That is—if we are matching resources in Philadelphia, we can darn well do it here.

Mr. PANKEY. Congressman Hoyer, the other issue is we have got to look at our process and eliminate steps in our process. Over the years, we have pretty much elongated that process. Once we do that, I think we will be fine.

Mr. HOYER. Mr. Pankey I understand that we have looked at this issue in 1988 and 1989, 1990, 1991, now we are on the downside of 1994.

Mr. PANKEY. I understand.

Mr. RUNYON. Right.

Mr. HOYER. I guarantee you this problem better be solved by the end of 1994. Average or better.

Mr. Wynn.

POSTAL RESTRUCTURING

Mr. WYNN. Thank you, Mr. Chairman.

I would readily concede, however, that I am a bit more impatient on the subject of Mr. Runyon's resignation than you are. I will note I was not the first to call for his resignation. The former Postmaster General, Robert Setrakian, prior to my calling for his resignation, also pointed out Mr. Runyon had to bear significant responsibility for this situation and he, too, called for his resignation.

Now, Mr. Runyon, let me see if I got this straight. Under your reorganization program, which you lauded before the Post Office

and Civil Service Committee last year, you got rid of 47,000 employees; is that correct?

Mr. RUNYON. Forty-seven thousand employees elected to retire.

Mr. WYNN. With encouragement via buy-out under your plan.

Mr. RUNYON. That is correct.

Mr. WYNN. The fact is you took pride in that program.

Mr. RUNYON. We did that because we wanted to reduce overhead in the Postal Service and we needed to get people to leave voluntarily because we did not want to have a RIF.

Mr. WYNN. It was not voluntary. It was with payouts. How much was that pay-out total?

Mr. RUNYON. I think I stated a moment ago it was $1.5 billion, I believe is the amount.

Mr. WYNN. So you paid out $1.5 billion. You claimed how much as a savings, $1 billion as a result of that.

Mr. RUNYON. We are saving 1 billion a year for the overhead positions that were eliminated.

Mr. WYNN. Okay. Let me go on. So now you want to hire 50,000 more people. You got rid of 47,000, paid them $1.5 billion, now you want to hire 50,000 people; is that correct?

Mr. RUNYON. We have hired 50,000 people.

Mr. WYNN. You have hired since you got rid of the 47,000.

Mr. RUNYON. Right.

Mr. WYNN. Now, of that 47,000, 16,000 were clerks, 12,000 were carriers.

Mr. RUNYON. Right.

Mr. WYNN. Have you rehired an equivalent number of carriers and clerks in that 50,000?

Mr. RUNYON. We rehired those as part of the 50,000.

Mr. WYNN. What do you mean you hired them before the 50,000?

Mr. RUNYON. Well, most of the 50,000 were rehired because of increased volume.

Mr. WYNN. Okay.

Mr. RUNYON. We had to replace the clerks and letter carriers that left. They had to be replaced.

Mr. WYNN. You paid people to leave, then you hired people to perform the same functions to come back to work; is that correct?

Mr. RUNYON. We paid people to leave so we could create open positions in our overhead positions and eliminate them forever.

Mr. WYNN. But almost 30,000 of the people you paid to leave out of the 47,000 were, in fact, positions that you now rehired.

Mr. RUNYON. Some of those people—we had, I believe it was 18,000 supervisors.

Mr. WYNN. Actually around 11,000 according to my information that left. Let go.

Mr. RUNYON. Well——

Mr. WYNN. You started in 1992 with 773,000 employees. You now have 778,000 employees; is that correct?

Mr. RUNYON. I don't know the exact number today. You probably have a better number than I have. I would be glad to submit the number for the record.

Mr. WYNN. Okay. So in addition to having to rehire people to fill the same positions that you paid them to leave, you have hired more people and you have hired temporary people; is that correct?

Mr. RUNYON. Yes. We have.

Mr. WYNN. And you have paid out a rather substantial amount of overtime to correct the problems that we have been discussing at some length here; is that correct.

Mr. RUNYON. Yes, that is correct.

Mr. WYNN. What is the effect of the new hires, the temporaries and the overtime on the so-called savings that you claimed? If you don't have the information, I would really like to see it. I think Mr. Istook was on the right track when he said it seems like we are not saving a lot of money by the time we get around this barn.

The other question, temporary employees, do they get benefits?

Mr. RUNYON. The casual employees.

Mr. WYNN. Casual employees, okay. Do they get benefits?

Mr. PANKEY. No.

Mr. RUNYON. I don't think they do.

Mr. WYNN. So you got rid of people receiving full-time benefits, disrupted their lives. You are now hiring new people to perform the same function and putting in their place temporary, casual employees, you call them, who you are not paying benefits to.

Mr. RUNYON. I want to point out that we did not disrupt their lives.

Mr. WYNN. Mr. Runyon, let me be clear on one thing: There may be facts—I am a freshman Member of Congress and I may not have all the information, but I represent 6,000 postal employees and they called me and said their lives were disrupted because of firings and then people were being rehired to do the same job that they did.

Meanwhile, they went out and took a job for less pay, had their lives disrupted, their mortgages disrupted and their whole family lives disrupted.

So what you cannot tell me is that their lives were not disrupted. The people in the Postal Service, particularly in the front lines that you are now trying to rehire are the people in the Washington Metropolitan area who had their lives disrupted under your reorganization.

I have no further questions, Mr. Chairman.

Mr. HOYER. You will have an opportunity to respond to that if you like.

Mr. RUNYON. That is fine.

Mr. HOYER. Ms. Byrne.

POSTAL EMPLOYMENT

Mrs. BYRNE. Mr. Chairman, in order to get to our other people in the hearing, I do have just two points that I would like to make.

First of all, on these casual hires, are there any standards for hiring these people? Do they have to be proficient in English, for example?

Mr. PANKEY. Yes, they do. We put them through pretty much the same process as we hire career employees.

Mrs. BYRNE. Well, a number of the complaints that we have had are that these people are not proficient in English, the communications breaks down between the floor and the managers because we have got all kinds in this area, all kinds of foreign nationals who are working in the post office as casual employees who can't com-

municate and can't be communicated to by the managers. So when you look at the things you need to look at in this area, maybe that would be one of them.

The other thing is why would I as a supervisor—I guess I could be a supervisor after having worked for the post office for three months, right? I can bid to be a supervisor in three months?

Mr. PANKEY. No, ma'am, because you would have to be what we consider a full-time employee. Most folks come in and we call them what we call part-time flexible. After you become what we call a full-time employee, then you have the opportunity to apply for a position.

Mrs. BYRNE. Once I have been a full-time employee for three months, I can bid to be a supervisor.

Mr. PANKEY. You can apply.

Mrs. BYRNE. But there is no attendant increase in pay or benefits at that time.

Mr. PANKEY. If you become a supervisor, yes, ma'am, they do get a pay increase.

Mrs. BYRNE. How long are they supervisors before they get that pay increase?

Mr. PANKEY. Immediately.

Mrs. BYRNE. Okay, the questions that I am going to submit to you are questions on whistle blowing and the Inspector General's function, and this atmosphere of fear and retaliation that both Mr. Wolf and myself have heard over and over again from employees and some very specific suggestions. And I will say, Mr. Chairman, this is one area that I am going to follow through on on protection of these whistle blowers because I think the information is out there.

If we want to Reinvent Government all we have to do is listen to the people who do the job on the floor. They know what is wrong if we listen to them.

Thank you, Mr. Chairman.

Mr. HOYER. Thank you, Ms. Byrne.

General, thank you very much, you and Mr. Pankey and Mr. Donahoe and your other staff, for being here.

Mr. ISTOOK. Mr. Chairman, if I might clarify one thing about the request that I voiced and Mr. Wynn also mentioned, in providing us with information regarding the people that took the early buy-out and those that are employed now, I think it is very important that we have benefits in that comparison, including any retirement benefits that either group does receive or could receive.

Mr. HOYER. Let me ask one question as a follow-up to that. You started to say it, but I want to make sure that I understand. Was there anybody that had to take an involuntary buy-out?

Mr. RUNYON. No, sir.

Mr. HOYER. I know Mr. Sombrotto and Mr. Biller may comment on that.

Mr. RUNYON. We did not use that as a way to force people to leave the Postal Service. They volunteered to leave.

Mr. HOYER. General, as I said, we are going to have hearings after the September 6 response. We will have a hearing in November and a hearing in January or early February after the GAO response, but we expect to have a periodic monthly response.

Would you make sure that every 30 days you keep us abreast of the progress being made by whatever measures you are using? Obviously one of the most critical in terms of the performance is the on-time delivery rate because you do that throughout the country.

Mr. RUNYON. Right.

Mr. HOYER. That will at least give us some standing as to where we are and how you are progressing in solving this problem.

I note before I let you go that the distinguished Chairman of the Interior Appropriations Subcommittee, and member of the Appropriations Committee and a member of this committee has come and I didn't know whether Mr. Yates wished to inquire?

CHICAGO SERVICE PERFORMANCE

Mr. YATES. Thank you, Mr. Chairman. I am sorry I couldn't be here earlier. I had a pre-conference meeting on the foreign aid appropriations bill. I thank you for letting me appear here with you and listen to these questions and answers.

I just wanted to acknowledge that some progress is being made in Chicago, some progress. But that has happened before. In 1986 I complained about poor postal service and I filed the complaints of my constituents with this subcommittee and we experienced good service for about 90 days.

Now, the Postmaster has appointed, and I thank him for that, what seems to be a fairly responsible group of postal employees to evaluate the Chicago situation. They have given us an initial 90-day report which indicates that they are moving in the direction of some progress. I still believe you are going to need additional facilities in Chicago. The report did not address that.

I don't think you can have overtime work effectively into the distant future. You can't have 24-hour-a-day work there in order to provide the kind of daily service you need.

I will note for the record, too, that subsequent to the hearing that we had earlier this year, the Postmaster relieved the then–Postmaster of the City of Chicago and several of the top officials who were then transferred to other posts. We are waiting to see whether this will result in a more efficient operation for the post office.

I note, Mr. Chairman, that at the time of our hearing when I questioned the Postmaster, your district apparently wasn't suffering to the extent that it has recently. I may be wrong on that.

But at any rate, what I have been reading recently in the newspaper indicates the same events are happening in your district that happened to us in the City of Chicago, and I am sure it is happening in Gary as well. But I am wondering about the poll that the Postmaster gave us as he came in about how efficient the service was throughout the country.

I expressed doubt at that time that the poll had taken place in Chicago and I wonder whether it is taking place in your area as well.

Mr. HOYER. Thank you, Mr. Yates.

Mr. Myers, did you want to inquire?.

Mr. MYERS. Just one observation, Mr. Chairman, thank you. General Runyon, in earlier colloquy you made the statement that

there were certain organizational changes that you were going to have to make.

I understood that they probably would require legislative changes. If there is something that will require statutory changes, would you let me know when you are ready to make those recommendations?

Mr. RUNYON. Yes, sir.

Mr. MYERS. Thank you.

Mr. YATES. May I make one further point? It will take me about 30 seconds or a minute.

Mr. HOYER. Mr. Yates.

Mr. YATES. I reviewed the law after our hearings and you are required to provide efficient service at reasonable rates. That is the law.

I have the impression you are not providing efficient service. Certainly in my district you are not and I gather Mr. Hoyer thinks you were not doing it in his district as well.

I wondered whether a lawsuit would lie against you by the Department of Justice to carry out the law. I don't know whether it is a possibility, but I did look into that. Now, I don't know what good can come of that beyond the kind of a hearing that we have here. I don't know that a court could require you to do something that we can't require you to do, but I think the Rate Board can require you to do that. That is why I think we ought to address the Rate Board.

Thank you, Mr. Chairman.

Mr. HOYER. Again, General, thank you, and we look forward to working with you to solve this problem. We are going to keep a very close eye on it as I am sure you can understand.

I would now like to call Mr. Sombrotto and Mr. Moe Biller, two of, in my opinion, America's outstanding labor leaders who I know are very concerned about this problem. Mr. Sombrotto is President of the National Association of Letter Carriers, Mr. Biller is President of the American Postal Workers Union.

Mr. Sombrotto.

Mr. SOMBROTTO. Thank you very much for inviting us, Chairman Hoyer. I have a prepared statement. I got your admonition, so it can be placed into the record.

Mr. HOYER. I wanted to get to you.

Mr. SOMBROTTO. But I do want to supplement my written testimony with some comments.

At the outset, I do want to make it clear, as you did earlier, that this postal service, the United States Postal Service, is the best postal service in the world. It is the most efficient. In terms of cost and in terms of the geography it covers, no postal service in the world even comes close to it.

Having said that, I must confess there are serious problems within the Postal Service and it tortures me to hear some people say as was writtenin letter written introduced into testimony—that there are employees who don't care about their work. That is an insult to the hundreds of thousands of career postal employees, be they letter carriers, clerks, mail handlers, rural carriers, maintenance employees. That is an insult to them because they take their

job very seriously and they want to provide the best service to the American public.

When debacles such as have been illuminated recently take place in Chicago, or here in Southern Maryland or Northern Virginia and are then put in the press, in the media, it creates a great deal of anguish for all postal employees. For them it is a personal attack. What happened in Southern Maryland is basically a mail processing problem. What I mean by that is that letter carriers, by their own work, deliver what is brought to them in preparation for delivery.

They get mail, they prepare it, and then they take it out and deliver it. You can't deliver what you don't get to your cage. When you warehouse mail in trucks and vehicles—which craft employees have no control over, that is strictly a management situation—that creates the very kind of results that you have been experiencing.

Now, I must say this for the record because it grates on me. If a letter carrier, clerk, mail handler would have done what those managers in those facilities did, they would have been fired the very next day. The minute it would have been identified that they did something wrong, they would have been removed from the service. In the case of management all they have done is shuffling them around, like moving the furniture on the deck of the Titanic.

Look at what's happened. Look at the record. I must give the Postmaster credit for trying to change the culture of the Postal Service. He talked about autocratic management and he was trying to change that and he has. He has worked very hard and very diligently to try to change the postal culture. But there is another culture in the Postal Service. It is a management culture, where they refuse to take action against each other, where they consistently approve and turn their head when other managers do things that reach the level of almost criminality.

Warehousing mail in a vehicle for months is a criminal act. That is not just bad management, that is a criminal act. They should have been removed on the spot and they are not.

Look at what happened to Chicago. A person is removed from Chicago, and sent to South Carolina. He gets the same pay, represents one-quarter of the people, has less responsibility, moves to a low cost of living, has golf privileges probably at Hilton Head. That is punishment! And another guy goes from Chicago to Topeka and they pay for—they sell his house, buy it at market. All of these things happen and you say that is punishment.

It occurs to me if you really screw up really bad, you might get promoted to Postmaster General in this system.

There is something wrong with this and the Postmaster General has to take action. The culture has to change. Management must be responsible for their actions and when they do the kind of things they have done in Chicago, Maryland, and Northern Virginia then they should be removed just like any other employee because what they do is intolerable.

We all have an obligation to the American public to do the very best that we can every day. Every day we have an obligation to perform those responsibilities, even management. When a letter carrier, burned a couple hundred pieces of mail, he was fired. There was no question about it.

Somebody is delaying mail. 1.7 million pieces of mail are delayed and they say we are going to punish him because we are going to transfer him somewhere elsewhere. He will bring the same kind of attitude and the same kind of performance with him which doesn't help the Postal Service at all.

So I think that what you are doing here by trying to isolate the problem is very important to us. It is also very important to the men and women that I represent, because they are hurt and deeply hurt.

With me is President of our Local, Tony Martinez and George Gould, Legislative Assistant to the President.

I want to enter this for the record. This is the letter the local president sends out to the members to point out what is happening and what should be done about it.

Mr. HOYER. Without objection.

[The information follows:]

Sembrotto

JULY '94

142 Letter Carrier Update

An Open Message To All 142 Members from Tony Martinez, President

90 DAYS OR OUT ?

Bad Press Hits Home

Chicago's mail problems probably did not have many Washington area letter carriers upset However, the latest editions of The Post and recent TV pieces describing our area as the worst in the nation, have caused proper concern among our members The letter carrier is still the USPS representative best known to the US public We have had a lot of unfair criticism and for letter carriers *it is undeserved*

Perform or be GONE

The recent discovery of what many had long suspected, by Postal Inspectors, proves that the problem is not DC streets, traffic, carriers hitting boxes too soon, carriers commingling mail, or what was described by former DC PM Arnold Daitch, as employees with no work ethic The problem is a restructured system, conceived from the top, with no input from employees knowledgeable enough to make ideas work (US) Daitch's only claim to fame was the failed "6&2" program that netted thousands in grievance claims

The two-company approach (Processing & Distribution vs Customer Service), also conceived at the top, is a dismal failure

Carriers can't carry what's not in their station!

The new VP, Henry Pankey has announced a very short time frame to turn it around The past excuses won't cut it anymore Responsible management has to find the system of management incompetance as quickly as they are willing to issue a letter carrier a letter of warning, suspension, or discharge

The public's perception of their letter carrier is still positive The NALC realizes that management needs our involvement to keep this company alive Where they will listen, we'll deliver

STAY POSITIVE AND PROFESSIONAL!

NALC IDEAS ACCEPTED

Where To From Here?

The NALC has long expressed it's concerns and offered it's ideas for action to Postal management Whether the ideas spring from EI workteams, EI Steering Committees, or Labor Management Meetings, letter carriers have always been willing to try to work with management As we now face a genuine crisis, management has adopted some of the union's recommendations

Career Carriers- On Monday, July 25, Branch 142 will address almost 100 new PTF carriers While our TE's and casual letter carriers have in most cases performed well, NALC has always advocated a career workforce The PTF hiring will continue through August

DPS- This Capitol District prides itself on having the most carrier zones on Delivery Point Sequencing However, what good are the numbers when too many routes in too many zones are having DPS problems? Advanced companies with automated operations, in order to ensure quality and employee buy-in, establish procedures to "stop the line" for defects I

recommended "stop buttons" for DPS and EI facilitators have now developed a package soon to be implemented Carriers will be able to "stop the line", when DPS doesn't work on a particular route

Enhanced Service- DC PM Dave Clark deserves credit for his willingness to accept new ideas and expand collection and delivery service for DC. The nation's capitol has been targeted for the quickest recovery from the stated problems The letter carrier as "customer service representative" providing new customer services also shows his willingness to innovation

We'll be seeing many new faces scrutinizing our future efforts Some will rightfully feel the heat **Good for them!**

Mr. SOMBROTTO. We are concerned. We want to do something about it and we want to thank you and we applaud your efforts in putting the spotlight on this issue in Southern Maryland and Northern Virginia.

Thank you.

[The information follows:]

NATIONAL ASSOCIATION OF LETTER CARRIERS
AFL-CIO

VINCENT R. SOMBROTTO
PRESIDENT

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WASHINGTON, D.C. 20001-2144
202/393-4695

TESTIMONY OF

VINCENT R. SOMBROTTO, PRESIDENT

NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

BEFORE THE

APPROPRIATIONS SUBCOMMITTEE ON

TREASURY-POSTAL SERVICE-GENERAL GOVERNMENT

July, 28, 1994

CONGRESSIONAL TESTIMONY

Mr. Chairman and member of the Subcommittee, I am Vincent R. Sombrotto, President of the National Association of Letter Carriers, AFL-CIO, representing city delivery letter carriers actively employed and retired from the United States Postal Service. On behalf of the 310,000 members of the NALC, I am pleased to share with you my thoughts about the mail situation in the Washington Region of the United States Postal Service.

As representatives of the American public, all of whom are customers of the Postal Service, the members of this Subcommittee are properly concerned with the performance of the Postal Service. In response to the media attention to the problems in the Washington Metropolitan Area, postal officials have recognized that mail service in our Nation's capital is not what it should be.

Let me emphasize that letter carriers in the District of Columbia, Southern Maryland and Northern Virginia perform their tasks with dedication and competence. The Postal Inspection Service reports that mail was being warehoused in trailers adjacent to mail processing facilities and the purposeful delay of mail within the facilities are a pure and simple case of mismanagement. Obviously, these actions seriously jeopardizes the public's confidence in the Postal Service. This causes me grave concern.

Although the Washington mail crisis seems to be a processing problem, letter carriers understand that the current situation reflects on the entire Service. The problem must be rectified expeditiously. Therefore, this week letter carriers throughout the Washington area have carried an increased mail load on the sweltering streets of the Capitol region to assist in reducing the backlog. Letter carriers do this cognizant of the fact that the Service must restore the confidence of Washington area mail customers. However, eliminating the backlog alone will not be enough. Comprehensive remedial efforts must be initiated to permanently solve the mail situation.

To regain the public trust, the Postal Service must take appropriate action against those who both are responsible for and have tolerated the Washington mail processing situation. Letter carriers believe that any deliberate attempt to delay or destroy mail should be dealt with immediately and severely. Reassignment of management should not be an option, while craft employees are fired. The Postal Service's actions in response to the Chicago mail crisis highlights this unjust disparity. Management personnel who participated in the mail debacle were simply reshuffled and relocated. In many instances the new assignments were better than the previous positions, and some were even plum appointments. At the same time, craft workers who were implicated in the mail situation were fired. Treating craft employees differently than management results in a postal culture that breeds resentment and inefficiency. In response to the Washington situation, we hope that the Service will treat all employees in a nondiscriminatory fashion -- fair and appropriate discipline against upper-level management is a rationale and effective way to prevent subsequent

postal fiascoes.

Some might claim that it is a cheap shot to point the finger at postal management. To demonstrate that I am an equal opportunity critic, let me say that Congress shares at least part of the blame for the Postal Service's current problems -- and thus it deserves part of the blame for the Washington area debacle. Over the last four fiscal years, Congress has raided the Postal Service for over $6.8 billion under the Omnibus Reconciliation Acts. You cannot underestimate the devastating impact this has had on service. Had Congress not decided to levy these budget hits, the Postal Service would have achieved a $1.3 billion surplus during this period instead of losing $5.5 billion. As a result, there would have been additional resources available to hire necessary craft employees, to construct new facilities and improve others, and to take other appropriate steps essential to providing the American public with the best possible postal service. The Postal Service could have used part of these resources to improve mail processing in the Washington area.

Letter carriers understand that they are a vital link between the Postal Service and its customers, and thus endeavor to enhance the quality of the Postal Service. We stand ready to assist the Service and the Congress in achieving this goal, whether it be in Washington, Waldorf, Boston, Minneapolis, Ottumwa, or anywhere else in this country.

I thank you for the opportunity to appear before you, and I welcome any questions you may have.

Mr. HOYER. Thank you.

Next we have Mr. Biller.

Mr. BILLER. I will not repeat what Mr. Sombrotto said. I agree with him wholeheartedly. I do not have a prepared statement at this time. I had very short notice.

I will submit a full and formal statement to the committee within the next week or 10 days.

Several things, major things are problems anyway. The automation process that has been put in was ill-conceived. There is no problem—I have no problem with the Postmaster General being here. He doesn't need my protection.

I think the individual that perhaps should be here or at your next hearing should be, a Governor who was quoted today, and a Postmaster General, I don't choose to personalize it, who instituted this system. This system was conceived in 1988.

I don't have to protect Mr. Runyon. He can well protect himself. He will not say these things.

The automation plan itself, I believe, was to a large extent ill-conceived. I believe it can be rescued. By the way, I want to state here, because the question was asked before, I happen to live in Virginia, Mr. Wolf. I live in Chantilly.

Mr. WOLF. I am your Congressman.

Mr. BILLER. I know you are. I want you to know also that I started out early this morning and it took me one-and-a-half hours to get here from Chantilly Virginia.

Mr. WOLF. Did you take metro?

Mr. BILLER. No, I drove in. If I took the metro I might have done better, but I didn't.

Mr. SOMBROTTO. Are you shilling for metro?

Mr. BILLER. We need more bus transportation to Metro and I think you will get more people using it.

On the serious side, I just want to point out a few things. I know we are limited in time and I am just going from notes, because as I said, you were kind enough to ask what I wanted to testify to because I was in the room. As I say, a full statement will be issued very shortly.

The program itself made no allowances for situations in which less than the expected volume of mail was to be able to be handled by the automated machinery.

Actually, there was no human backup for automation which simply has not been able to be employed and operated to keep up with mail volume. I think you know the mail volume in this area has increased tremendously.

I want to say that transportation, I do believe continues to be a problem because when our trucks travel on the roads around here, it takes them just as long to get wherever they go since no car moves off the road because of where the truck comes from, etcetera.

When the Postmaster came here, I have worked under 18 Postmasters General. He recognized the culture and as Brother Sombrotto said, started out to do something about it. This was not an overnight thing. This is quite a complicated thing. Just the same as there is no easy way to address the causes of service problems today, it is not a simple question identifying a singular cause.

Much of the problem has been caused over these years and attempting to bring in the automation at one fell swoop, I think the Postmaster General did wise to slow it down because there was no backup for it, etcetera.

I am cutting this very, very short because I realize the time limits.

The problem has been compounded further by the fact that many of the employees with skills to provide the backup such as clerks with knowledge took advantage of the early out openings in the 1992 restructuring. For this I can hardly blame the Postmaster General, who sought to flatten out the management hierarchy by attempting to structure in a humane way. Perhaps that wasn't yet accomplished.

It was right to open the same opportunity to all employees because it would have been wrong to discriminate against a segment of the postal work force. However, the postal work force is now faced with an overdependence on machinery and a shortage of skilled workers to take up the slack.

I hope that you will have better news in the next hearings that you hold. The kind of good news is presently that the philosophy seems to be, but I am not sure it is going to work, that machines should be less important than people though the machines are necessary.

We have supported this automation program. Let's make it very, very clear. Moreover, we have joined with the Postmaster General and the labor management cooperation agreement of last November in 1993 in an effort to help overcome these problems. Possibly a cause of local problems ironically may be that there is little centralization. Brentwood, Southern Maryland, Dulles, Merrifield incoming and local mail sometimes make more than one stop at a plant to get to its destination. I think you recognize, particularly where we are, Congressman Wolf, that Fairfax County has been growing at a phenomenal rate and consequently the volume grows with it in that area.

In sum, I believe there is no simple diagnosis—and I know people are impatient and it is difficult. There is no instant coffee, no simple diagnosis of national or local service problems and no ready solution.

However, I will say we are just all going to have to move harder together and that is one of the reasons we signed this labor management cooperation through the union with the budgets we have given and this is no time to chastise the Congress of the United States, but when you recognize that over $6 billion has been cut due to the Omnibus Budget Reconciliation Act over the last several years, that creates major problems.

I know that this committee wants to hear solutions are at hand, but this simply is not the case. The cause for the problems originated with decisions made in the late 1980s, and it wouldn't matter who the Postmaster General was right now, I don't believe he can give you the instant type of solution. It is going to take some time to implement and I know we don't ask anybody to be patient. It is a concern. We are all concerned and I join with Mr. Sombrotto in all that he had to say.

I just want to assure you in closing that the answer will be found in people more so than in machines, and that the members of the American Postal Workers Union, whom I am privileged to represent, will respond with energy, commitment and dedication. I thank you very much. I will submit a full and formal statement for the record.

[The prepared statement follows:]

APWU

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TESTIMONY ON

MAIL DELIVERY PERFORMANCE OF THE POSTAL SERVICE

BEFORE THE

SUBCOMMITTEE ON TREASURY, POSTAL SERVICE
AND GENERAL GOVERNMENT

COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

BY

MOE BILLER, PRESIDENT
AMERICAN POSTAL WORKERS UNION, AFL-CIO

JULY 28, 1994

Congressional Testimony

Mr. Chairman and committee members, my name is Moe Biller and I am the President of the American Postal Workers Union, AFL-CIO. On behalf of the 360,000 active and retired APWU members, I thank you for inviting me to testify today and to offer my observations on the recent well-publicized problems the Postal Service has experienced in providing service in several areas of the country.

Before I offer my thoughts on these problems, I believe it is only fair to say that lost in this abundance of negative media coverage is the fact the American postal worker is the most productive postal worker in the world; and the United States Postal Service provides the best service at the cheapest cost of any postal administration in the world.

The United States Postal Service, viewed as a component of the overall U.S. communications industry, has done remarkably well. Of the total amount of communications services that consumers and businesses buy, Postal Service revenue growth since 1980 has **exceeded** all its competitors except cable TV. ... The Postal Service ... **is getting a larger share of the communications pie than it did in 1980.** ...

These positive aspects of postal employment, unfortunately, don't receive the degree of media coverage which accompanies the

discovery of problems in the Postal Service. Our members are proud of their excellent service to this nation, and rightfully so.

Nobody who has read the WASHINGTON POST over the past few weeks can have missed the criticism the Postal Service has received over poor mail service in the metropolitan Washington area.

This criticism is deserved, even if only half of what is reported is true. ... As national President of the American Postal Workers Union, I cannot tell you that I am intimately familiar with the details of the local postal operations. I do, however, have some thoughts about the problems which have plagued the Postal Service nationally, and no doubt contribute to the problems experienced in the Washington area.

An analysis of service problems is not a simple task, for the causes in a particular area can be many and varied, and in many cases have accumulated over time. The problem in a particular office can include one or all of the following general categories: poor management, unrealistic automation plans, improper staffing, improper consolidation of mail processing, poorly designed mail flow patterns, inadequate facilities and space for new equipment, and budget constraints.

One of the causes of today's difficulties has its roots in an automation strategy, announced in 1988 and formalized into a Corporate Automation Plan in 1990, which too rapidly shifted the emphasis from reliance on the knowledge and skills of employees to an overly ambitious, unrealistic and poorly executed emphasis on automation.

In a nutshell, the Corporate Automation Plan developed in the late 1980s and promulgated in 1990 projected a fully automated Postal Service by 1995, and made budget projections and projected work force needs based on the mistaken belief that this automation could be fully deployed and would work at 100% efficiency by 1995.

Please don't misunderstand me. The American Postal Workers Union has always supported automation as essential in today's world. ...

The problem with the Corporate Automation Plan was that it didn't allow this transition to take place over a sufficient time frame or to be accomplished in well-planned, incremental steps. ... The philosophy was, "buy the machines in large numbers and we will work out the problems later." ... The plan resulted in changes in staffing too early and too fast. The necessary human backup with the requisite skills was not available to compensate for the overly

optimistic planning assumptions during the early phases of the deployment of large numbers of machines.

Common sense tells you that, in an organization this size ... revolutionary automation needs to be phased in over time. **The postal automation plan simply failed to deal with the difficulty in immediately capturing cost savings, quickly adjusting staffing levels, and providing for space and facilities to accommodate the new machinery and backup equipment systems.** The philosophy dictating the deployment of machinery was, "we have purchased the equipment and therefore we must install it as quickly as possible." Management stayed with this point of view even when the proper detailed local plans were not in place to insure continued good service during the transition period. This approach has demonstrated results -- the wrong ones -- namely, deteriorating service.

When the current Postmaster General came into office in 1992, he wisely put a halt to the headlong rush to automate and ordered a reevaluation of these capital investments. However, he was stuck with the problems resulting from the staffing and budget assumptions contained in the 1990 automation plan.

Compounding this problem has been the ... various OBRAs passed by Congress over the past few years, which raided the postal treasury to the tune of over $6.8 billion. This represents over 6 cents on a First Class stamp. A handsome surplus was thus converted into a serious deficit. This has a profoundly demoralizing effect on employees, whose superior effort produced the surplus. They see that surplus snatched away and have additional financial burdens piled on top. This congressional cut in postal funding has made it more difficult to finance appropriate USPS staffing levels. Employees have been forced to work excessive amounts of overtime as an alternative to proper staffing, and this has also taken a severe toll on the work force.

The current Postmaster General, as a responsible CEO, has not and does not attempt to excuse the failures of his institution by blaming his predecessor; but I believe it is only fair to say Mr. Runyon inherited a corporate plan which has had some short-term detrimental effects on service.

... In addition, the 1992 restructuring resulted in a significant reduction of experienced bargaining-unit employees. And for this I really cannot find fault with the Postmaster

General, who sought to flatten out the management hierarchy by restructuring in a humane way. ...

The restructuring was intended to reduce the ratio of supervisory and other administrative personnel to workers engaged in hands-on processing of mail. ... Since the restructuring relatively more employees are now available to work directly in mail processing and customer services as a result of restructuring. Whether those numbers will be sufficient to offset the effects of the staffing and budgetary problems I discussed earlier is still subject to further analysis.

The good news is that a philosophy which put machines over people has been replaced with an employee-oriented administration. This shift in approach must be followed up by appropriate and adequate training in order to utilize better the skills and dedication of the employees.

The too-rapid deployment of automation had other negative effects as well. The Postal Service had gone to an Area Mail Processing arrangement in which mail for a wide geographic area is consolidated at automated plants in order to economically justify the investment in the equipment. In some instances the geographical area was too large to efficiently transport the mail

and still maintain the then-existing service standards. This actually decreased service performance. The previous postal administration's answer to this problem was to lower the service standards. We opposed that approach ... Even with adjusted service standards in some areas, based on geography and transportation, it is either too costly or impossible to meet the new standards.

One possible cause of the local Washington, D.C. area problems, ironically, might be that there is too little centralization or integration of the decentralized plants in the area into the National Mail Flow System. There are several major plants in the D.C. area, and both incoming and local mail sometimes has to make more than one stop at a plant to get to its destination. ...

In addition, many areas, such as Fairfax County, are growing at a phenomenal rate. I live in this area and I understand the volume growth has been almost 6.7% in the last year.

Finally, let me touch on a fundamental problem which exists in the Postal Service. Ingrained in the culture of the Postal Service is an attitude that management must protect its own. ... Even when a manager engages in activities which would immediately subject a bargaining-unit employee to discipline and/or removal, the

offending manager is not subjected to an equivalent action. In fact, the bargaining-unit employee perspective is that managers are protected and many of the transfers are viewed as a reward. We are seeing the Peter Principle at its worst! This problem must be addressed if the Postal Service is to have any credibility with its own employees and if managers truly want a greater commitment from the employees.

Second, management associations resist efforts to move away from the Postal Service's ... authoritarian ... and paramilitary mentality in the direction of self-directed work. As a result, APWU proposals for greater employee decision-making and a higher employee-to-supervisor ratio ... are being hampered.

Additionally, the USPS management style has been autocratic. The managers have an attitude of "I am the boss therefore what I say must be right." This attitude deprives the Postal Service of the benefits to be gained from input from their most important asset--the employees. In 1992 Postmaster General Runyon recognized this as a major problem and reached out to the employees through their elected representatives--the APWU. This initiative on his part resulted in an agreement between the APWU and the Postal Service to create a positive, cooperative relationship--namely, the

November 2, 1993 Memorandum of Labor-Management Cooperation. In the agreement, the parties "... reaffirm their commitment and support for labor-management cooperation at all levels of the organization to ensure a productive labor relations climate which should result in a better working environment for employees and to ensure the continued viability and success of the Postal Service." A copy of this agreement has been provided to each of you for the record.

This agreement employs standard labor relations techniques, such as joint labor-management committees, to address all aspects of postal operations. ...

The APWU is working jointly with the Postal Service to improve the service and establish a better relationship with our customers.

In sum, there is no simple diagnosis ... and no easy solution. We will all just have to try harder with the budgets we are given and with the personnel and machinery on hand to cope with the situation. I know this Committee would like to hear, as we would, that instant solutions are at hand, but this simply isn't the case. Some of the causes for the problems originated in decisions made in the mid-to-late 1980s, and a full resolution may take some time to achieve. I believe that the answer will be found in better long-

term planning, which makes better use of human resources, in conjunction with a more rational, phased-in application of automation.

The workers represented by the APWU will respond to this approach with energy, commitment and dedication.

Thank you.

COMMUNICATIONS

Annual Percentage Rate of Growth in Revenues, Volume and Prices
1980 to 1993

		Percentage Revenue Growth	Percentage Price Growth	Percentage Volume Growth
Telephone and Telegraph		6.6	3.5	3.0
USPS,	All Mail	8.3	4.9	3.2
	Third Class	11.4	6.7	4.4
Radio		7.3	4.8	2.4
Television, except Cable		7.5	5.8	1.7
Magazines:	Total	7.5	6.6	0.8
	Advertising	6.3	8.0	-1.6
Newspaper:	Total	5.4	7.1	-1.6
	Advertising	4.9	7.8	-2.7
Cable TV:	Total	12.8	7.8	4.7
	Advertising	16.9	8.3	7.9
Real GDP		---	---	2.4
CPI-U(X1)		---	4.4	---

Note: Cable TV data are for 1985 onwards. Advertising data, broadcast television and radio are for 1980 through 1992. Telephone revenues were estimated by linking two Department of Commerce series.

Source: Departments of Commerce and Labor, USPS, and Advertising Trade Publications.

MEMORANDUM FOR APWU NATIONAL, STATE, AND LOCAL UNION OFFICIALS
AREA MANAGERS, CUSTOMER SERVICES
AREA MANAGERS, PROCESSING AND DISTRIBUTION
DISTRICT MANAGERS, CUSTOMER SERVICES
PLANT MANAGERS, PROCESSING AND DISTRIBUTION

SUBJECT: Labor-Management Cooperation

The amicable resolution of our differences regarding the deployment of RBCS marks a milestone in the relationship between the Postal Service and the American Postal Workers Union, AFL-CIO.

Although we have established a pattern of resolving more disputes through voluntary agreement than through litigation, none has had the significance of this agreement. Not only were the substantive issues of major concern to each of us, but the agreement recognizes that we cannot anticipate and provide for all future contingencies. We must establish a relationship built on mutual trust and a determination to explore and resolve issues jointly. This agreement embraces these principles.

In order to build on this momentum and improve our relationships throughout the Postal Service, we set forth the following principles of mutual commitment:

1. The APWU and the Postal Service hereby reaffirm their commitment to and support for labor-management cooperation at all levels of the organization to ensure a productive labor relations climate which should result in a better working environment for employees and to ensure the continued viability and success of the Postal Service.

2. The parties recognize that this commitment and support shall be manifested by cooperative dealings between management and the Union leadership which serves as the spokesperson for the employees whom they represent.

3. The parties recognize that the Postal Service operates in a competitive environment and understand that each Postal Service product is subject to volume diversion. Therefore, it is imperative that management and the Union jointly pursue strategies which emphasize improving employee working conditions and satisfying the customer in terms of service and costs. A more cooperative approach in dealings between management and APWU officials is encouraged on all issues in order to build a more efficient Postal Service.

4. The Postal Service recognizes the value of Union involvement in the decision making process and respects the right of the APWU to represent bargaining unit employees. In this regard, the Postal Service will work with and through the national, regional, and local Union leadership, rather than directly with employees on issues which affect working conditions and will seek ways of improving customer service, increasing revenue, and reducing postal costs. Management also recognizes the value of union input and a cooperative approach on issues that will affect working conditions and Postal Service policies. The parties affirm their intent to jointly discuss such issues prior to the development of such plans or policies.

5. The APWU and the Postal Service approve the concept of joint meetings among all organizations on issues of interest to all employees, but which are not directly related to wages, hours or working conditions, such as customer service, the financial performance of the organization and community-related activities. In this regard, the APWU will participate in joint efforts with management and other employee organizations to address these and other similar issues of mutual interest.

6. On matters directly affecting wages, hours or working conditions, the Postal Service and the APWU recognize that separate labor-management meetings involving only the affected Union or Unions are necessary. The parties are encouraged to discuss, explore, and resolve these issues, provided neither party shall attempt to change or vary the terms or provisions of the National Agreement.

Moe Biller
President
American Postal Workers
Union, AFL-CIO

Dated: 11/2/93

Marvin Runyon
Postmaster General/CEO
U.S. Postal Service

Dated: 11/2/1993

Mr. HOYER. Mr. Sombrotto and Mr. Biller, I thank you for your statements.

If we can, I would like to get the other panel up because we are going to have to leave right away. I don't think we are going to get back. I know it is very unfair to our next panel and I apologize for that. If we have any questions, will it be all right if we submit some questions in writing?

Mr. SOMBROTTO. If I could just make one comment.

Mr. HOYER. Yes.

Mr. SOMBROTTO. I do want to say this, that the business we were in is not a complicated one. People deposit mail, we collect it, process it, and deliver it. It is not like flying to the moon. All these processes have to be improved. It is a simple application of people knowing their jobs, understanding the jobs and doing their jobs—managers managing and workers doing the job that they are responsible to do. What we find is that the structure, particularly the management structure prohibits that kind of a prescription and that kind of a result.

Mr. HOYER. Mr. Sombrotto, I think what you have just described said as well as anybody could say what so frustrates the American public. They believe delivering mail is a relatively simple job, pretty straightforward. You said a rocket scientist is not needed to do this, but it is not getting done for whatever reasons.

We want to make sure the reasons are known so that we don't have the typical assumption that folks are not doing their job. Because it appears that in terms of some areas of the country, some folks are doing very well and in some other areas, as Mr. Istook brought out, the job is not being done. If we assume the level of performance across the country is pretty even, then something has to be done, something must be wrong regionally in terms of how we operate the system.

I think your testimony——

Mr. SOMBROTTO. Just one more comment. I don't want to leave the impression that the job is an easy job, because the people that do these jobs in whatever aspect they do it in the Postal Service have a very difficult task and they perform it admirably.

[Response to questions for the record follows:]

RESPONSES TO FOLLOW-UP QUESTIONS POSED TO PRESIDENT SOMBROTTO, PRESIDENT OF THE NATIONAL ASSOCIATION OF LETTER CARRIERS

1. The recent mail delivery crisis in the Washington area was primarily a processing problem. Reports are that mail was warehoused and, as a consequence, never was conveyed to letter carriers for delivery. Furthermore, last year's postal reorganization and buy-out resulted in the exodus of approximately 13,000 experienced career letter carriers. The departure of this seasoned work force had a major impact on the Postal Service's ability to expeditiously move the mail.

2. Clearly, different service areas have had varied experiences in the wake of reorganization. The Postal Service needs to hire the appropriate number of career craft employees in those areas that have not made the mark.

3. As I stated during my testimony, we need to more fairly treat craft employees. It is simply unacceptable for management to be assignment to "sweetheart" relocations for malfeasance, while craft workers are fired.

Mr. HOYER. Thank you. We have about—I want to call the panel and then I will come back. We are going to have to vote. But let me call the panel quickly, Esther Nichols of the League of Women

Voters, if you would come forward, take seats, and if we don't have five, we will add a seat, please.

Sheila Schneider, from Crofton Chamber of Commerce; Richard Wahlforth, Director of Circulation, Southern Maryland Group of Chesapeake Publishing; Kathleen Carpenter-Kester, practicing attorney and mother in Washington, D.C., and Admiral Kenneth Haynes a Virginia resident, I believe invited by Mr. Wolf.

Why don't I go vote because I would like to have Mr. Wolf and Mr. Visclosky here to hear what you have to say. I apologize, we didn't want to shuffle out the Postmaster General and we had a lot of Members not on the committee, but who obviously wanted to ask questions because they are concerned about their constituents not getting the kind of service they want. Let me go vote and I will be right back.

[Recess.]

Mr. HOYER. On second thought, tell you what, I am going to miss this vote. I have a meeting at 1:00 o'clock. Senator, are you going to stay?

Senator SARBANES. If you want to vote, I will continue.

Mr. HOYER. I will stay. It is a motion to instruct.

Senator SARBANES. I have to vote. Maybe I will listen to a few of the statements here.

Mr. HOYER. All right. Senator Sarbanes will stay a few minutes and I am going to start, Ms. Nichols, with you. I don't know how long your statements are, but if you can make them pointed and brief, then I will yield to Senator Sarbanes before he has to go and he may have questions of you.

Ms. NICHOLS. I am Esther Nichols from Riverdale, Maryland.

Thank you, Chairman Hoyer, for hearing from the League of Women Voters. As a member of the League, I wanted to report our experience of difficulties with bulk mail. We have not heard much about that, but civic organizations are really dependent on the mail service for the operation of their mail service.

The League of Women Voters of Prince Georges County has been having serious problems with the U.S. Postal Service. Our monthly newsletter, the Voter, has been delayed and lost by the Southern Maryland facility. The purpose of our monthly Voter is to inform our members about the topic to be studied at the monthly meetings.

The briefing information in the February Voter was about the Turner Commission report. This was presorted by zip codes and mailed at the Southern Maryland facilities in January on the 25th of January. Our three local unit meetings were to be on the 7th and 9th of February. The Voter was lost.

Elaine Hodges, our President, had to fax the information to the unit chair to be copied for the members. When the Voters were found and distributed, they began to be received by League members on the 23rd of February, a month after I had mailed them.

The February Voter was mailed the 27th of December for our 15th of January general meeting. When the member had received their Voter by the second week of January, I began calling the ombudsman of the post office. Some members received the January Voter the end of the week, a day or two before the meetings. More than two weeks en route in Prince Georges County.

I am a member of the Paint Branch Unitarian Church. Our newsletter about the Christmas program on the 18th of December was received the 14th of January. I am now among those who pay $7 a year to receive our church newsletter by first class mail. Nonprofit organizations do not have satisfactory bulk mail service. In response to all these problems, I was advised to presort by zip code the letters in trays and they were handled as first class mail.

I think that is the gist of our experience. Are there any questions?

Mr. HOYER. Why don't we go through the panel and come back if that is all right with all of you.

Next is Sheila Schneider, Crofton Chamber of Commerce. Appreciate your being here.

Ms. SCHNEIDER. Thank you, good to see you. I would say members of the committee, but they are at a vote now, correct?

Mr. HOYER. Yes, and Mr. Wolf will be back at least.

Ms. SCHNEIDER. I did provide a copy of my written statement. I live and work in Crofton, Maryland, and I was asked to participate in this panel to give my personal and business experience that I have encountered in my community. I hesitate to give negative examples because I don't want to burden the every-day-in-the-trenches postal workers with the woes of the post office, because I think their burden is heavy enough and I honestly believe these employees work very hard, from the workers in the Postal Service facilities to the mail carriers.

Although I do not profess to be an expert on the Postal Service or to know exactly how the postal service system works, I am a consumer of its services and I do know that the postal service system is not working very well. Fortunately, my complaints and those expressed by many of my business colleagues are on the whole not about some disaster or catastrophe caused by inadequate postal service, but more about frustration and annoyance, continuous frustration and annoyance.

However, one situation experienced by a real estate agent was serious. The slow business, because mail should have taken two or three days to travel from Crofton to Baltimore; instead it took seven days. Because of this delay, a client mistakenly assumed disinterest on the part of the real estate agent and changed companies.

The real estate agent experiences this kind of mail delivery on a continuous basis and therefore must use Fed–Ex or another overnight service to ensure delivery of timely material. Other business people also express the need to use other services to assure delivery of their correspondence.

Another concern of my business associates in Crofton is delay in delivery of mail crossing the Prince Georges County line. For reasons unknown to us, it could take anywhere from two to seven days for outgoing mail to arrive at a Bowie destination, yet Bowie is just a couple miles down the road.

This problem is also true of incoming mail from Bowie, Washington, D.C. and the Washington suburbs. A business person recently missed a meeting because instead of one or two-day expected delivery from Washington, D.C. to Crofton, a meeting notice took four days and arrived after the meeting was held.

Mail has been delivered later and later in the day, preventing action on business matters until the next day. Yesterday, my mail came between 4:00 and 5:00 p.m. in the afternoon. One business person extremely annoyed that mail delivered to the post office boxes that used to arrive between 9:30 and 10:00, has been coming later and later in the day, which means if you go to pick it up, it is not there, you have to go back. But the other thing is you can't react in a timely manner that day. You have to wait until the next day.

Outgoing mail to mailboxes is of concern to residents in Crofton. Businesses often have mailboxes in the business district or shopping center in which they are located. Where do the residents go to deposit mail? Where are the corner mailboxes? To go to a mail box, some residents have to travel two to two-and-a-half miles from home.

My closest mailbox is a half mile from my home. There are only four mail boxes in the residential community in all of Crofton—residential communities in all of Crofton, which has approximately 20,000 residents.

Nobody has mentioned the problem of depositing mail in communities. As I mentioned there are other mailboxes at various shopping areas and business districts which makes it easier for businesses to send outgoing mail.

As I said earlier, my personal experiences have been frustrations and annoyances and since I work in the same area in which I live, my business experience with the mail is very much the same: To mail an electric bill on July 8 when it is due on July 13, only to have it received on July 18, 10 days to go from Crofton to BG&E in Baltimore, which is a 20-minute drive; to mail two holiday cards to two people who live in the same area in Silver Spring, Maryland, arrive on different days sometimes two days later; to mail two regular first-class letters, one sent to Florida, which is received days before the one sent to Silver Spring, Maryland, was received; to mail a letter in Crofton to another address in Crofton only to have the mail delivered two or three days later. Crofton-to–Crofton mail never leaves the Crofton Post Office during the delivery process. To not have mail delivered to house and office, I have my office in my home, only to find it was mistakenly delivered to the vacant house next door two days in a row.

My concern both professionally and personally about the postal service is lack of dependability. As a business person and resident of Crofton, in a world where timing could be important, depending, then the mail is essential. I have to know that when I mail a business tax return it is received when expected. I have to know that a remittance of a bill is received when expected. I have to be assured when I mail a document that requires immediate action it will be delivered when expected. Delivery of the mail should not be a guessing game. Unfortunately, the expression, "the check is in the mail," is now too often actually the truth. Thank you.

[Ms. Schneider's prepared statement follows:]

CONGRESSIONAL HEARING ON POSTAL SERVICE
THURSDAY, JULY 28, 1994
SHEILA D. SCHNEIDER, CROFTON, MARYLAND

Congressman Hoyer and ladies and gentlemen of this committee, I am Sheila Schneider. I work and live in Crofton, Maryland. I was asked to participate on this panel today to give testimony of the personal and business experiences I have encountered with the mail service in my community. I hesitate to cite negative examples because I do not want the burden of post office woos to land on the backs of the everyday, in-the-trenches, postal workers. I think their burden is heavy enough. I honestly believe these employees work very hard, from the workers in the post office facilities themselves to the mail carriers.

Although I do not profess to be an expert on the postal service or to know exactly how the postal system works, I am a consumer of its services and I do know that the postal service system is not working very well.

Fortunately, my complaints and those expressed by many of my business colleagues are, on the whole, not about some disaster or catastrophe caused by inadequate postal service, but are more about frustration and annoyance, continuous frustration and annoyance.

- However, one situation experienced by a Real Estate agent was serious. She lost business because mail that should have taken 2 to 3 days to travel from Crofton to Baltimore took 7 days; because of this delay, a client mistakenly

assumed disinterest on the part of the Real Eestate agent and went to another company. This Real Estate agent experiences this kind of mail delivery on a continuous basis and, therefore, must use Fed Ex or another overnight service to insure delivery of timely material.

- Other business people also expressed their need to use other mailing services to insure delivery of their correspondence.
- Another concern of my business associates in Crofton is the delay in delivery of mail crossing the Prince George' County line. For reasons unknown to us, it could take anywhere from 2 to 7 days for outgoing mail to arrive at a Bowie destination, yet Bowie is just a couple miles down the road. This problem is also true of incoming mail to Crofton from Bowie, Washington, D.C., or the Washington suburbs.
- A business person recently missed a meeting because instead of the 1- or 2-day expected delivery from Washington to Crofton, a meeting notice took 4 days and arrived after the meeting was held.
- Mail has been delivered later and later in the day, preventing action on business matters until the next day. Yesterday, my mail was delivered between 4:00 and 5:00 p.m.
- One business person is extremely annoyed that mail which is delivered into post office boxes are not available now until later in the day. Business people used to be able to pick up their mail at 9:30 or 10:00 a.m., now we often have to go

to the post office later in the day for our mail; often making it impossible to act on timely matters.

- Getting outgoing mail to mailboxes is of concern to residents of Crofton. Businesses often have mailboxes in the business district or shopping center in which they are located. Where do the residents go to deposit their mail? Where are the corner mailboxes? To go to a mailbox some residents have to travel 2 to 2½ miles from their homes. My closest mailbox is ½ mile away.

  There are only 4 mailboxes in residential communities in all of Crofton, which has approximately 20,000 residents. As I mentioned before, there are other mailboxes at various shopping areas and business districts which make it easier for businesses to send outgoing mail.

As I said earlier, my personal experiences have been frustrations and annoyances; and since I work in the same area in which I live, my business experience with the mail is very much the same.

- To mail an electric bill on July 8, with it being due on July 13, only to have it received on July 18—10 days to go from Crofton to BG&E in Baltimore. BG&E did remove the late charge when told that the lateness in delivery was due to the mail. BG&E said that they understood.
- To mail 2 holiday cards on the same day from Crofton to two people living at the same address in Silver Spring, Maryland, only to have the cards arrive on different days, sometimes two days apart.

- To mail two regular first class letters, only to have the one sent to Florida received days before the one sent to Silver Spring, Maryland, was received.
- To mail a letter in Crofton to another address in Crofton, only to have the mail delivered 2 or 3 days later—yet Crofton-to-Crofton mail never leaves the Crofton post office facility during the delivery process!
- To not have mail delivered to our house or office (my office is in my home), only to find that it was mistakenly delivered to the vacant house next door, 2 days in a row. Of course, we were told that the mail carrier was not our regular mail carrier and did not know the route.

My concern, both professionally and personally, about the postal service is its lack of dependability. As a business person and resident in Crofton, in a world where timing could be important, depending on the mail is essential. I have to know that when I mail a business tax return, it is received when expected. I have to know that a remittance of a bill is received when expected. I have to be assured that when I mail a document that requires immediate action, it will be delivered when expected. Delivery of mail should not be a guessing game. Unfortunately, the expression *"the check is in the mail"* is now too often actually the truth.

Thank you.

Mr. HOYER. Thank you very much.

Now, next, Kathleen Carpenter, an attorney in Washington, D.C. and a mother.

Ms. CARPENTER-KESTER. And mother.

Mr. HOYER. I should say a mother who happens to be an attorney.

Ms. CARPENTER-KESTER. I mention that only because it has impact on——

Mr. HOYER. If you would move the mike I think everybody can hear a little better.

Ms. CARPENTER-KESTER. As with the individual to my left, I, too, work from my home. I am an international trade lawyer. The impact of the handling of my post office over the last two years has been so substantial that I have gotten to a point that I never mail anything that is truly important or time-sensitive in my practice. It—the postal service has become, in effect, a marketing tool for Federal Express. Everything goes to Federal Express.

Let me just give you one very specific example from my practice and there are so many.

Forty-eight pieces of mail over a period of time from attorneys in New Orleans, co-counsel with me representing a client on a matter in New Orleans, that client is located in Alexandria, Virginia. On only three occasions did I get that first-class mail at the same time that that client did. In all other examples I got it between two and 11 days later.

The effect of it was that the client, it was embarrassing. The client would call me and ask me what I thought about how we ought to handle what the next element in the proceeding was. Quite often the only way to solve it was to either have the attorneys fax me all the materials, which is often always, you know, only too voluminous when you are a lawyer, or I would have them, if we had enough time, to Federal Express it, or I would literally get in the car and drive to Alexandria to the client's secretary, sit down there in his offices, read through the entire thing, and then come back and do whatever I had to do in order to properly serve the client.

A more poignant example, although in some ways far more costly than any you can imagine, I serve as a trustee on a local charitable trust. Year end 1991, after a great deal of work, we decided to issue 15 checks to homeless institutions in the Virginia, D.C., and Maryland areas.

Three of those I personally met with having to do with interests of homelessness and handed them the checks. The others were hand-delivered to the Postal Service on MacArthur Boulevard. We have a receipt to show it takes place. It is entered in our computer to show when it was charged and so forth.

Of those, three checks simply never arrived at those institutions and we didn't know it until that long, hard, cold miserable winter for the homeless was over. We didn't know about it until the point in time in which the accountants get in and start filing the necessary tax returns for that particular trust. Similarly, the next year, we had already mailed the second year's checks before we knew that the first three from the prior year had not arrived.

The next year not one check—and there were fewer that year because there were fewer resources in the trust—not one of those checks got to those homeless institutions.

That is the real world of when the system doesn't work.

When the Postmaster was here he mentioned the Friendship Station. That is the station that currently serves me.

A year ago, I moved from an area of Washington, D.C. called Westly Heights to an area not two-and-a-half miles away from that on 38th Street, a block-and-a-half at most from the Friendship Heights Station.

During the course of that period, I put in all the necessary change-of-address forms. As a fail-safe, being a lawyer, and lawyers believe in redundancy, I did the postal buddy system and entered it there. I got cards that was issued by that postal buddy system and sent them to everyone about the change of address and so forth.

No mail was forwarded initially. I went to the Postal Service, I checked with them, it was two months and I still wasn't getting mail. They said they were forwarding all my mail. I was getting little dribbles of mail and I knew I was missing large parts of it.

Eventually, I found out that there were construction workers in the house I had moved from, that they were hoarding the mail there, that hundreds of pieces of my mail had gone through the mail slot, although I had done everything I was supposed to to indicate the change of address. I had gone to the Postal Service.

By this time, we knew of the first instance of the homeless checks that had never been received. So I called the Postal Service and they told me who was in charge of what and so forth. I talked to them and they referred me to the carrier at my old address. When I asked him what had happened to the second set of checks, which had been mailed from that house and what was happening to all of my mail, he said, oh, I am not exactly sure what was happening to it, but I can only imagine that idiot—then he names another carrier who is a alternating carrier—must have been on duty those days. That was the end of the conversation.

I then went to great lengths to detail in a letter to Mrs. Notron nine pages of examples of missed professional events, including a congressional breakfast. I serve as associate on the National Rehab Hospital, and there was a congressional kick-off breakfast here. And it was mailed in a timely fashion. I received it the day after the event and they didn't even know I wasn't there. I could list—I had 20 examples of invitations, professional and personal, that I didn't even receive until after the events were over. Sometimes weeks later.

Perhaps the most interesting, we regularly get these in the mail, precious little envelopes. This is one of the best ones. I do business with a bank in Virginia, Burke & Herbert. Burke & Herbert sent me this. The franking indicates it was sent from some distribution center in Detroit. It was mailed July 19, 1993. I received it in April of 1994. You can see that they knew where I was now even though it was misaddressed, they had the proper information on the tag. It shows that a date of March 10, 1994. Even if you assume for some reason unbeknownst to all of us it didn't get to the District area until then, it took them an entire month just to get it from

the point of their receipt to the point I got it and a total of 10 months from the point at which it was mailed. This is nine pages of examples of the things that I have experienced. Present.

Mr. Runyon mentioned the Friendship Station. Let me just comment and I don't know whether this speaks to the entire Postal Service or not.

Mr. HOYER. If you could wrap it up with this comment.

Ms. CARPENTER-KESTER. I shall. He mentioned some employees there and outstanding they were. I must tell you my own experience. Because of time, I won't detail all the examples. There were some fantastic employees there, there are also employees, however, who simply cannot be doing their job.

I can remember in very recent vintage having a postal worker sitting in a postal truck outside where I live now reading the newspaper when I left to go pick my child up at school three miles away. Three miles later, a long car pool line and three miles back, and I get back and that same worker is still sitting there in his truck reading the newspaper. So, yes, there are wonderful people in the Postal Service, there are also people not properly supervised and managed.

Thank you.

Mr. HOYER. Thank you very much.

Mr. Wahlforth, Director of Circulation, Southern Maryland Group of Chesapeake Publishing; glad to have you here, sir.

Mr. WAHLFORTH. Thank you.

I came to Chesapeake Publishing in February of 1993 from the Island of Hawaii and found out that I—within a month I found out that I could get a paper faster from Hawaii to California than I could from Charles County to Prince Georges County.

We generally take many of our papers up to the distribution center up in Capitol Heights and, of course, it takes most weeks five to seven days for the people to receive their paper.

The weeks that it doesn't, it comes the next day to them. Of course, in the meantime the people that call us, we have to satisfy them, so we send another copy of the paper out at $2.90 first class, so it is compounding our expenses this way. I have a boss that he is tight and he is in the business to be tight.

But when I called and called to the distribution center, no one would return my call. Finally, a Mrs. Sanders called me and I explained to her and she put a check on the mail. She sent back, or Mr. Shepherd sent back, a letter stating that we were doing this wrong and this wrong, which amounted to about 100 papers out of 5,000. So we complied to it and it is still going on.

We kept calling and calling and calling with no results at all. In February of this year, we had a mailing of 5,000 papers that went up there, and the delivery was made in April, just about two months later. No one could ever tell me what happened to them or anything else, and of course it kept going on and on and on.

I would call sometimes and they would say, well, we delivered it to the wrong place up there. Well, we delivered it to the same place every time.

We started an advisory council at the Waldorf Post Office and I was put on that and we took a tour up to the plant up in Capitol Heights and I saw mail in there, priority mail, that had a quarter

of inch of dust on it and it was dated two weeks before and it was just sitting there like it was lost on the side.

At the next meeting that we had at the advisory council, Mr. Shepherd was there and I did say something to him, that I called numerous times to get ahold of him and never got a return call. He assured me to call; he didn't know what happened. So the next week I called. Still no answer from him.

He had given me his fax number, so at that time I started faxing the complaints to him and I, to this day, am still faxing the complaints to him. It has gotten better in the last couple weeks, I will say that. I have had two weeks now that we have not had any calls about late papers, but the cost factor on this company and the loss factor of subscribers, because many people, not because—that they didn't get the paper, but because they are getting it late, they don't tell us they are going to stop. They just don't pay for it and they just won't pay and we lose a customer. Thank you.

Mr. HOYER. Thank you. That is one of the examples of—where business is so adversely affected. You mentioned it and you mentioned it as well.

Last of our witnesses who are—had personal experiences is Admiral Kenneth Haynes who lives in Virginia.

Is he in your district?

Admiral HAYNES. Yes, sir.

Mr. HOYER. He has been invited by Mr. Wolf. We very much appreciate your taking the time to come, Admiral, and stay.

Admiral HAYNES. Thank you, Mr. Chairman. To clear the air, I am retired. When I was in active service, it was usually instead the House Armed Services Committee. This is more fun.

I live in Centreville, Virginia, and lived there since 1990, January 1990. We are served by the Centreville, Virginia, Post Office serving zip code 22020. We have lived in many parts of this country, as well as several locations in Europe, and we have never found a more professional, more courteous, kind post office. So I don't want to hit the wrong target here this morning.

Getting quickly to the point, in November 1993 I received a replacement Navy Federal Credit Union credit card by Federal Express with an accompanying letter that said, we are delivering this because there has been evidences of mail theft in your area and we want to make sure you get it.

So I called the Navy Federal Credit Union, talked with a Mr. Goldman, had been advised that, yes, there had been a theft of 106 credit cards. They were now appearing nationwide. Fortunately mine was not one of them. He advised that it was suspected that the 106 credit cards had been lost or whatever in either Merrifield, Virginia, or in the Dulles postal facility.

I referred this to Mr. Wolf's office and received a response rather quickly and the item was referred to the Postal Service authorities and I think, so I can get right to the point, on February 7, I received this letter from Congressman Wolf, I appreciate very much, and I won't read all of it to you but it comes from the Office of the Inspector in Charge, Washington, D.C., and it is signed, sincerely yours, by Ida L. Gillis, Inspector in Charge.

First she offers apologies. I didn't have any inconvenience: "Regarding the missing Navy Federal Credit Union loss, our investiga-

tion has determined that the missing credit cards were part of the monthly reissue of credit cards mailed from the card manufacturing plant in Omaha on September 7, 1993. At this time we believe that"—this is what I found to be both amusing and confusing. "At this time we believe the NFCU loss occurred at the airport while mail was being off-loaded. The theft appears to be that of a opportunist who grabbed a handful of NFCU mail from a damaged or broken container."

And then it goes on to say, airline carriers assume custody and control of all mail that they are contracted to carry at the time. The mail is picked up by their employees from the USPS airmail facility. They remain responsible and in control of this mail until it is returned to the destination airmail facility.

I presume that murderers and rapists and others would be opportunists, and I found this to be in—to try to be kind, a cavalier approach to a very serious problem. Personally, I won't say that I have given up on the U.S. Postal Service, but I have any funds transferred electronically. I have a fax machine and we use Federal Express and UPS.

I feel for the Postal Service in the delivery of bulk mail. We get more bulk mail than we can possibly use. I wish that whoever sends it had to pay for it so that once in awhile we would get our first class mail delivered without all the catalogs.

Thank you, sir.

Mr. HOYER. Thank you. I might say for the bulk mail carriers, however, we have had a new agreement in terms of revenue foregone and I think, Mr. Donahue, I am right in saying bulk mail carriers are in fact carrying not only their load, but to some degree they believe they are carrying more than their fair share.

I don't have any questions. Frankly, even if I did, I have got another hearing, if you could believe it, at 1:00 o'clock, which is why I wanted to stay here. I missed a vote but it passed overwhelmingly so it didn't make any difference.

Mr. Wolf.

Mr. WOLF. Well, I apologize. I went to vote and I am sorry that I didn't hear your testimony. I appreciate you coming. I appreciate all of you coming. I feel like I have already heard these stories over and over and I know what you are saying is sincere, and hopefully, the Chairman, holding these hearings and then holding additional hearings and then maybe another hearing next year, we will have a base point that we can look at this and we can make a difference. But I appreciate very much you all taking the time to come here.

Mr. HOYER. Thank you.

Mr. Wolf and I work very closely on issues of this type in this region, as do all the Members in a bipartisan fashion. As I said at the outset, delivery of mail is not an accommodation to people. It is an absolute necessity for people. You each have mentioned a consequence of the nondelivery, noneffective performance that impacts you not only in terms of dollars and cents, but also in terms of embarrassment or ability to do your jobs.

It is my view that we need to stay on top of this on a very regular basis. I think we can solve this problem. We will not solve not making mistakes. As you heard me say, 170 billion pieces of mail are delivered annually by the post office at a cost below what any-

body else in the industrialized world charges, at a productivity rate that is far ahead of all other postal services in the world.

Having said that, if they can get that letter mailed from Bowie to Philadelphia in three days and it takes more than three days coming from Philadelphia to Bowie, there is a problem in the local area.

Now, there may be other local areas, but as you have heard me say, we are going to have regular hearings, regular action until this region is at average or better, and very frankly, one of the things that I hope happens—Mr. Donahoe is still here and I appreciate his waiting—one of the things that I hope happens, is that that average is going to rise, and the reason it is going to rise is because they are going to do a better job throughout the Nation.

So the target, I hope, is a moving target, and it better be moving up as opposed to down. I don't want to become average, not because we get better, but because the other folks get worse. Mr. Wolf and I and others are going to listen to people in Bowie, in Waldorf, in Chantilly.

Admiral HAYNES. Centreville. We are neighbors.

Mr. HOYER. Centreville, Virginia, and in Washington, D.C., and in southern Maryland, in Montgomery County, because that is the way we know in real time, in real ways for real people what is happening.

Admiral HAYNES. Could I tell just one?

Mr. HOYER. Yes, sir.

Admiral HAYNES. We lived in England from 1987 to 1989, near London. The British Post Office strikes regularly and sometimes for as much as 30 days. When the mail is resumed, there will be this little bit—this little trickle and mail and we asked the postman, where is the mail? They dispose of it. They simply dispose of it, and if you don't like that, you can go tell somebody about it but we are not going to deliver it.

Mr. HOYER. The point you make is the point I make regularly, and you got to be careful when you make it because citizens who are outraged that the service is not as they want it say that you are giving excuses. I am not giving excuses. The fact is, we do it better than anybody else, and we have a volume far in excess of any other country. Nobody else comes close to 170 billion pieces.

Mr. Donahoe, do you know what number two is in volume?

Mr. DONAHOE. We have more than the top seven. The G–7, the top seven together does not equal us.

Mr. HOYER. Combined. So we deliver an incredible volume with relatively few people, i.e. productivity 40 percent ahead of Japan, which is number two in terms of productivity. But having said that, again, if we can do it well out West or we can do it well out South, we darn well are going to do it well in this region, period. And your continued vigilance is going to help us, so you contact us when that doesn't happen.

Ms. CARPENTER-KESTER. Mr. Hoyer, one final comment, there are many problems that people in the District of Columbia think are truly insurmountable. I don't think they are but they are very difficult, but the impact of the Postal Service on the migration of people out of this community in terms of their business is substantial. You have only to listen in my case to my own clients. So it impacts,

too, on the financial base and operating base of the District of Columbia substantially.

Mr. HOYER. That is a good point. Yes.

Ms. SCHNEIDER. Mine was the very same statement. It is curious the problems we have getting out of Crofton going into PG County. We don't have the same problems going elsewhere to the degree. That was one thing.

Another thing, this person asked me, as I asked my husband just the other night, are we spoiled? Are we too used to such a good thing that—are we in the norm now rather than—my feeling today is we are not.

Mr. HOYER. In other words, are our expectations too high? And I think Mr. Wolf and I and others in this region would be more sanguine and if we had not started this years ago. This is not something we just read in the paper a few weeks ago and on May 24 or May 17 they did a study and all of a sudden we got a problem. This region has had a problem for a long time and we have raised the issue and we have been at it, and now we are just going to raise the heat so that, if it doesn't get resolved, there will be very substantial changes occurring.

Mr. WAHLFORTH. I would like to say that the Waldorf center, that they do a fantastic job and the communication is good and I think that is the biggest thing, that there is no communication from the plant up in Capitol Heights.

Mr. HOYER. As you heard earlier, Mr. Runyon came down. I think Mr. Runyon is trying to do a very tough job and I think he has been after it. He has been there a short period of time.

I asked him to come down to southern Maryland, frankly, when we really started hearing these and he came down and he spent a half a day coming down and talking to consumers in the Waldorf, LaPlata, Lexington Park, Leonardtown areas. We met in Charlotte Hall, close to where I live down in St. Mary's County, and he was very responsive in terms of saying we are going to get after these. But a few months later, statistics don't bear out that we are performing to our expectations, and we are going to stay after it until they do. Thank you very much.

[Questions and answers submitted for the record follow:]

QUESTIONS SUBMITTED FOR THE RECORD BY THE COMMITTEE

MANAGEMENT ACCOUNTABILITY

* I UNDERSTAND THAT FEW MANAGERS HAVE BEEN HELD ACCOUNTABLE FOR POOR AUDIT PERFORMANCE OVER THE PAST FEW YEARS, THAT THE PREFERRED PROCEDURE IS TO SHUFFLE MANAGERS TO NEW ASSIGNMENTS. CONSTITUENTS WORKING FOR THE POSTAL SERVICE HAVE TOLD ME ABOUT RAMPANT CRONYISM AMONG MIDDLE MANAGERS.

QUESTION: DO YOU INTEND TO HOLD MIDDLE MANAGERS ACCOUNTABLE FOR THE PERFORMANCE OF THEIR UNITS, DISCIPLINING THEM WHEN THEIR PERFORMANCE FALLS SHORT OF ACCEPTED STANDARDS?

ANSWER: Yes. I intend to hold managers accountable. This has been our policy consistently. When deficiencies are noted, appropriate action is taken.

QUESTION: DO YOU INTEND TO INVESTIGATE THESE CHARGES AND TAKE APPROPRIATE ACTION?

ANSWER: Any charges of so-called cronyism which are brought to my attention will be investigated and appropriate action will be taken.

WASHINGTON AREA AUDIT

* **POSTAL INSPECTORS INDICATED CONDITIONS AT THE FIVE WASHINGTON D.C. CENTERS WERE "ABOUT AS BAD AS THEY HAVE SEEN."**

* **ON JULY 20 AND 21, 1994, RETURN VISITS WERE MADE TO THE FIVE CENTERS. WHILE THE REVIEWS POINTED TO SOME IMPROVEMENTS SINCE THE MAY 1994 VISITATION, PROBLEMS PERSISTED.**

* **IN FOUR OF THE FIVE FACILITIES, MORE THAN 1 MILLION PIECES OF FIRST-CLASS DELAYED MAIL WERE FOUND.**

* **A MID-ATLANTIC TASK FORCE REPORTED THAT CONDITIONS AT THE SOUTHERN MARYLAND FACILITY HAD IMPROVED ONLY IN THE LAST WEEK.**

QUESTION: WHY DID THE POSTAL SERVICE INITIATE THE MAY 1994 INVESTIGATION OF THE WASHINGTON REGION?

ANSWER: The May 1994 investigation of the Washington region was part of a national review of selected cities and processing sites. This review was conducted at the request of the Postmaster General because of the significant service problems that had been identified in the Chicago area. Reviews were conducted at 33 Processing and Distribution Centers, 14 Bulk Mail Centers and 221 delivery units. Locations were selected based upon their relatively low service performance according to trends in the Customer Satisfaction Index (CSI) and the External First-Class Mail Measurement System (EXFC) scores.

QUESTION: HAVE CONDITIONS AT THE FIVE CENTERS IMPROVED SINCE THE MAY 1994 REPORT? HOW AND WHY?

ANSWER: The conditions at the five mail processing centers have generally improved since the May 1994 report. Observations were conducted on July 20 and 21, 1994, at all five mail processing facilities to compare current conditions with those noted in May. Generally, on-hand mail volumes declined at the facilities with corresponding decreases in delayed mail at most sites. Following are the details of the July 1994 conditions as compared to those in May 1994.

<u>Total On-hand Mail Volumes</u> are significantly lower:

- For the five major processing facilities in the Washington Metropolitan area, total on-hand volume in the July observation was 7.0 million pieces compared with 12.5 million pieces in the May review. The reductions have not been common to all five facilities. Two of the larger facilities showed significantly lower volumes (Southern Maryland and Washington, D.C.), while Northern Virginia and Suburban Maryland remained about the same.

Details for each facility are as follows:

- Southern Maryland facility had approximately 26% of their May volume (1.6 million total pieces in July vs. 6.2 million in May)

- Washington, D.C. had approximately 55% of their May volume. (1.7 million total pieces in July vs. 3.1 million in May)

- Northern Virginia had approximately the same as their May volume. (1.4 million total pieces in July vs. 1.3 million in May)

- Dulles had increased volumes since the May review. (645,000 total pieces in July vs. 167,000 pieces in May)

- Suburban Maryland had approximately the same as their May volume. (1.7 million total pieces in July vs. 1.7 million pieces in May)

Total Delayed Volumes are correspondingly reduced:

For the five facilities, total delayed volumes have been reduced from 6.3 million pieces in May to 2.8 million in July.

Details for each facility are as follows:

- Southern Maryland facility had approximately 1.2 million total pieces in July observations vs. estimated 4.6 million pieces in May (down 74%).

- Washington, D.C. had approximately 458,000 total pieces in July vs. estimated 713,000 pieces in May (down 36%).

- Northern Virginia had approximately 408,000 total pieces in July vs. estimated 665,000 pieces in May (down 38%).

- Dulles had approximately 109,000 total pieces in July vs. estimated 78,000 pieces in May (up 40%).

- Suburban Maryland had approximately 700,000 total pieces in July vs. estimated 383,000 pieces in May (up 83%).

ACTIONS TAKEN TO CORRECT CONDITIONS SINCE MAY:

- The labeling problem that was causing more mail to be improperly routed to the Southern Maryland facility than it should have been receiving has been corrected. (Postal Bulletin announcement to originating facilities)

- Installation of equipment to increase the processing capability of mail at the Southern Maryland facility has been completed. (A second Small Parcel and Bundle Sorter)

- Correct reporting procedures are now being followed to include all mail that should be reported on the Mail Condition Reporting System. (Capitol Beltway Facility data now included on Southern Maryland report)

- The Government Mail section at the Washington, D.C. facility has received additional staffing, an improvement team has been established to monitor the official mail operations and implement necessary changes, and procedures to return missent official mail have been implemented.

Observations were made at the five plants in the Washington area for three days during the first week of August 1994. Conditions were improved because of efforts to clear on-hand volumes previously reported at the facilities. Continuing attention will be given to mail conditions in the Washington, D.C. area by the Inspection Service.

QUESTION: ARE YOU SATISFIED THAT THE PROBLEMS IN THESE FACILITIES ARE NOW SOLVED? IF NOT, WHAT DEFICIENCIES STILL EXIST?

ANSWER: We have made significant progress in solving the problems identified in the audit. There are still on-hand and delayed volumes reported, however the on-hand volumes are not unmanageable and delayed volumes are significantly lower than those identified during the audit. We feel there is still work to be done in the areas of staffing, and application of color codes and facility capacity, and we are working to resolve those issues.

MID-ATLANTIC AUDITS

* **TWO AUDITS AND ONE INVESTIGATION HAVE IDENTIFIED SUBSTANTIAL DEFICIENCIES IN POSTAL OPERATIONS IN THE MID-ATLANTIC AREA.**

* **RARELY DO INSPECTORS UNCOVER ANY CONDITION NOT PREVIOUSLY KNOWN TO MANAGEMENT DURING THEIR AUDITS AND SPOT CHECKS.**

* **INSPECTORS OFTEN FIND THE SAME PROBLEMS ON REPEAT AUDITS AS WERE FOUND ON PREVIOUS AUDITS.**

* **POSTAL INSPECTORS FIND THEIR RECOMMENDATIONS ARE SOMETIMES IGNORED OR MANAGEMENT CHANGES BEFORE CORRECTIVE ACTION CAN BE IMPLEMENTED.**

* **PRELIMINARY INVESTIGATION INDICATES NO DISCIPLINARY ACTION HAS BEEN TAKEN AS A RESULT OF THE MID-ATLANTIC AUDITS.**

QUESTION: DESCRIBE THE MAJOR FINDINGS OF THE 1991, 1993, AND 1994 POSTAL INSPECTOR REPORTS ON OPERATIONS IN THE MID-ATLANTIC AREA.

ANSWER: The objective of the Inspection Service **1991 Installation Operations Audit at Washington, DC Case No. 1032706 AO(3)** was to provide management with an independent appraisal of efficiency and effectiveness of mail processing and delivery at the Washington, DC General Mail Facility, Air Mail Facility, and selected delivery units. Inspectors concluded that numerous opportunities existed to improve mail service to the public and to reduce operating costs with estimated values in excess of $20 million. Additionally, to improve service, management must increase the productivity of its equipment and employees by changing their work methods and establishing a sense of urgency in moving the mail.

Finding Highlights	Management Actions
Mail collection routes not current.	Team established to review and update collection routes.
Collection mail not properly prepared.	Mail collection instructions reissued to employees.
Automation compatible mail processed on wrong equipment.	Mail flow coordinator positions established to identify and direct mail to proper equipment.
Secondary schemes not updated to increase depth of sort.	Sortation diagrams reviewed for each city zone to add holdouts and directs.

Letter Sorting Machines not effectively supervised.	Staffing and supervision of all LSMs to be improved.
Manual distribution operations contributed to poor service.	Supervisors and employees advised of expectations and goals regarding productivity and work habits.
Air Mail Facility mail volumes exceeded plant capacity.	Plans developed to modify equipment, and make processing changes to relieve congestion.
Low priority given to Government mail processing.	Productivity goals established and processing changes made to improve service.
Excessive city delivery work hours utilized.	Established and enforced productivity goals and scheduled route evaluations.
Metro and city dispatches missed.	Developed a tracking system to ensure all dispatches are made as scheduled.

1993 "WASHINGTON, DC, METRO SERVICE AUDIT" CASE NO. 1107720 AO(2)

The objective of the Inspection Service audit was to assist Mid-Atlantic Area Management in improving overnight service performance in the Washington, DC metropolitan area. Attention was given the Dulles, Northern Virginia, Southern Maryland, Suburban Maryland, and Washington, DC Processing & Distribution Centers. Inspectors disclosed conditions that caused or contributed to overnight service problems, such as failure to meet critical entry and clearance times, late arriving overnight committed mail, and automation operations concerns, among others. During the review management was receptive to suggestions and indicated action would be taken to correct service problems.

Finding Highlights	Management Actions
Failure to meet plant automation and mechanization clearance times.	Supervision to be improved, schedules changed, and a tracking system implemented.
Late arriving overnight committed mail.	Corrective actions to be taken at other local processing centers to improve service between plants.
High volume of incorrectly encoded automation mail pieces.	Supervisors and mail processors instructed to conduct verifications.
Letter Sorting Machine keying and sweep-side errors.	Supervisors instructed to perform verifications daily and submit reports of results.
Automation mail flow problems delayed advancement of mail.	Mail Flow coordinators will be used to ensure mail is processed as required.
Unidentified mail returned from stations increased mail delays.	Management will hold supervisors accountable for proper processing of this mail.
Failure to remain current with uncoded, miscoded, and nixie mail increased mail delays.	Management will ensure mail is containerized, identified, and staged for timely processing.

1993 "WASHINGTON, DC BMC SERVICE AUDIT" CASE NO. 1107730 AO(3)

The objective of the Inspection Service audit was to identify operational problems that impact the Washington Bulk Mail Center and metropolitan service area. Inspectors disclosed the BMC was performing more duties than it was effectively able to handle. The processing of mail for other offices, in addition to the BMCs mail created major staging problems at the BMC. This hindered the flow of mail through the BMC and has negatively affected other operations in the BMC as well as the Washington metropolitan area.

Finding Highlights	Management Actions
Mail volumes exceeded capacity due to processing mail designated for other plants.	Mail designated for other plants rescheduled for processing at intended facilities.
Dispatch trips departed prior to schedule.	Daily mail volumes worked but not dispatched will be analyzed and resolved; new trip schedule implemented.
Inbound trailers not unloaded within established time frames.	Enhanced supervision and additional staffing scheduled.
Mail condition reports not accurate.	Supervisors trained on proper reporting procedures.
Damaged mail not processed in a timely manner.	Processing schedule implemented and responsibility assigned to employees.
Mail rehandlings caused delayed mail and increased labor costs.	Processing activities changed to eliminate rehandlings.
High rate of miskeyed sack mail.	Supervisors to conduct quality reviews; training and qualification process improved.

NATIONAL OBSERVATION OF MAIL CONDITIONS

MID ATLANTIC AREA

MAY 1994

CASE NO. 1143234-AI(1)

OFFICE OF AUDIT

POSTAL INSPECTION SERVICE

MID-ATLANTIC AREA

SUMMARY OF PROBLEMS IDENTIFIED

PROCESSING AND DISTRIBUTION CENTERS

This summary will include significant problems at the following Processing and Distribution Centers (P&DC): Dulles VA, Northern VA, Richmond VA, Suburban MD, and Washington DC. Due to the seriousness of the conditions noted at Southern, MD P&DC, it was addressed separately in this summary.

Inaccurate MCRS/Unreported Mail

Three of the five P&DC's listed above had inaccurate MCRS volumes during the audit. Dulles P&DC's second-class on hand volume was determined to be understated on 5-17-94. This was due to mail on the dock not being counted and mixed second and third-class mail being counted as third-class. The plant manager stated the situation would be addressed and corrected. The Richmond, VA P&DC routinely did not report delayed mail volumes for any line item on the MCRS when in fact delayed mail existed. The plant manager stated delayed volume would be reported in the future. Suburban, MD P&DC did not report delayed mail volumes at the annex of Suburban, MD when significant delayed volumes existed. The plant manager stated the volumes would be reported in the future.

Excessive Delayed Mail

Three of the five P&DC's had excessive delayed mail during the audit. Northern, VA had excessive volumes of delayed BBM and second-class over a week old which was accurately reported. On 5-18-94 the delayed volume exceeded 900,000 pieces. The acting Plant Manager stated staffing was a problem especially in secondary operations. Richmond, VA P&DC had approximately 400,000 pieces of unreported delayed mail. The Plant Manager stated the plant would begin reporting delayed volumes. Suburban, MD P&DC had over 100,000 pieces of delayed second-class with only 10,000 reported. The Plant Manager took action to clear these delayed volumes during the audit.

Improper Color Coding

Two of the five P&DC's were utilizing improper color coding methods. Richmond, VA P&DC was utilizing a color coding procedure to show the day of receipt at the facility, not the delivery day. Delivery day coding was applied at distribution operations which led to incorrect color coding. Richmond Associate Office mail was not being color coded at dispatch. Washington, DC P&DC was not placing color codes on a large volume of its mail. This led to mail being worked out of sequence and made it impossible to identify delayed mail.

Miscellaneous Problems

The Washington DC P&DC had large volumes of First-class mail in the government mail section with dates as old as February 1994. A large portion of this mail could have been processed without utilizing scheme qualified employees, who were in short supply. This has been an ongoing problem at the Washington, DC P&DC.

SOUTHERN MD

Inaccurate MCRS

On May 19, 1994, an independent count of mail volumes at Southern, MD P&DC was conducted to verify volumes reported on the MCRS. Significant differences existed as follows.

- 800,000 pieces of delayed 2 and 3 day First-Class letter mail were found in the automation and banding operations. The oldest postmark found was May 16, 1994. The Plant Manager stated the banding machine had been inoperable for a few days, but no reason was given for the incorrect reporting of mail volumes.

- 2.3 million pieces of third-class letters were found stored in trailers on the P&DC yard. Most of this mail had been received at the plant, unloaded and reloaded for storage. When asked about reporting these volumes, the plant manager stated he was only required to report piece count volumes for mail in the facility and the number of vans on hand. He stated the area office was aware of this procedure and he would continue to report in this manner.

- 230,000 pieces of second-class news were also on trailers in the yard. The plant manager reiterated that he only reported vans in the yard. Reasons were not given for the inaccurate reporting of other second-class mail on the MCRS.

- 114,716 pieces of second-class news and 1,164,760 pieces of third-class flats were not reported at the Capital Beltway Facility (CBF). Only Priority mail was reported on the MCRS at this facility.

Excessive Delayed Mail

Changes in mailer labeling requirements for BBM letters has caused large volumes of letters to be directed to this facility for processing that would have previously been dispatched to destination P&DC's. This led to a reported delayed volume of 1,476,000 in BBM letters on May 17, 1994 and 1,413,000 on May 18, 1994. The plant manager stated new labeling procedures will be in effect June 12, 1994, correcting the situation.

On May 18, 1994, 15 trailers containing mixed second and third-class mail were staged in the yard. The oldest date identified was May 3,1994. These trailers were loaded with mail that had been off loaded and then reloaded for storage on the yard. Some trailers of entirely second-class mail were located in the yard with the oldest date of May 9, 1994 found. A majority of this mail was for delivery outside the Washington metro service area. The Plant Manager stated he instructed employees to use trailers for storage when workroom conditions became too clogged. He further stated second-class was backed up due to a bundle sorter being down.

BULK MAIL CENTERS

Inaccurate MCRS

The Washington, DC BMC was inaccurately reporting mail conditions on the MCRS. The total net under reporting of on hand volume in parcels, sacks, IPP, NMO, and rewrap was 46,800 pieces on May 17, 1994.

Excessive Delays

Mail was being worked out of sequence with recently received mail being worked in advance of older, delayed mail. The BMC manager stated this situation would be addressed and corrected immediately. third-class letter trays were handled through the sack sorter at this BMC. Labels in these trays often fell from the label holders causing the trays to be sent for staging and relabeling. On May 17, 1994, 185,000 pieces of third-class letters were staged around the building; much of this mail was delayed. The oldest date noted was April 30, 1994. This mail was not reported in the MCRS because there was not a line item for entry. The BMC manager stated this problem could only be corrected through changes in labeling instructions.

DELIVERY UNITS

Inaccurate CSDRS

Seventeen of twenty-nine delivery units misstated the delayed mail volumes by 10 percent or more. These inaccuracies were due to the various methods of counting mail by the delivery supervisors or their replacements. Many of the supervisors were recently promoted and did not have a thorough understanding of CSDRS guidelines. There was no instance disclosed of intentionally understating the volumes. Definitions and guidelines of CSDRS were discussed with delivery unit managers as well as their managers in the Postmaster and District Offices. Management stated they will correct the inconsistencies of report preparation.

Excessive Delayed Mail

Thirty percent of the delivery units experienced excessive volumes of delayed BBM during our review. Several causes were attributable to the delays with the most frequent being BBM received from the plant behind schedule and too late to be processed for carrier delivery that day. BBM was also consistently received from the plant in an already delayed condition according to the color codes affixed. Local delivery management was encouraged to report that delayed mail on the CSDRS and use the narrative comments section to explain the adverse effect the plant was having on the delivery unit and the customer.

Improper Color Coding

Four out of every ten delivery units visited were receiving containers of BBM that had not been color coded by the plant. The mail was generally tagged at the delivery unit with that days color code. Lack of color coding by the plant causes the mail to lose it's service commitment identity, and impairs the delivery unit's ability to control workhours and overtime by managing uncommitted BBM. Coding within the delivery units was excellent. Local managers were advised to record the instances of mail bearing no color code received from the plant on the CSDRS.

Other Significant Problems

A unique condition was disclosed where mail was not being reported on the CSDRS or the plant's MCRS. This involved mail at the Decentralized Distribution Centers (DDCs). These new processing units did not have reporting requirements under the existing reporting system. We recommend National Headquarters establish mail condition reporting requirements for the current and future DDCs.

QUESTION: WHAT ACTIONS HAVE BEEN TAKEN TO CORRECT EACH DEFICIENCY IDENTIFIED?

ANSWER: The findings in the 1994 report were primarily related to inaccurate counting of mail, inconsistent reporting of delayed mail and improper color coding. We have assigned responsibility for the accuracy of the Mail Condition Report to the Manager, In-Plant Support at the Processing and Distribution centers. Additionally, we have provided each processing facility with a "self-audit" which indicates correct counting and reporting procedures. A new national Bulk Business Mail color code policy was issued June 2, 1994 and should alleviate the confusion in this area.

QUESTION: DESCRIBE DISCIPLINARY ACTION TAKEN AGAINST ANY WASHINGTON AREA CENTER MANAGER SINCE THE 1991 AUDIT.

ANSWER: The objective of such audits is to provide management with an independent appraisal of efficiency and effectiveness, so we can work with managers to define areas in need of improvement and outline steps to improve operations. As you know, the restructuring of 1992 instituted a new management structure, essentially replacing all top managers in the Washington area to provide a more streamlined, customer-responsive management staff.

QUESTION: HOW DO YOU INTEND TO BE MORE AGGRESSIVE IN THE FUTURE IN PURSUING DISCIPLINARY ACTIONS?

ANSWER: Each case will be handled on an individual basis. The focus is on productivity and performance, rather than discipline. Discipline is but one method of changing performance.

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RELATIVE PERFORMANCE OF WASHINGTON AREA

* **THE WASHINGTON AREA PROCESSING AND DISTRIBUTION CENTERS CONSISTENTLY RATE AT OR NEAR THE BOTTOM IN NATIONAL SURVEYS.**

* **THE NATIONAL OVERALL FAVORABLE CUSTOMER RATING IS 85 PERCENT WHILE WASHINGTON, D.C. RATES 70 PERCENT FAVORABLE (ONLY NEW YORK RATED LOWER).**

* **THE NATIONAL OVERNIGHT FIRST-CLASS ON TIME SERVICE PERFORMANCE RATING IS 82 PERCENT WHILE WASHINGTON, D.C. RATES 62 PERCENT (THE LOWEST RATED OFFICE).**

QUESTION: WHY DOES WASHINGTON, D.C. RATE SO POORLY IN NATIONAL PERFORMANCE RATINGS?

ANSWER: Washington, D.C., like any major city, has factors which negatively affect delivery performance. For example, the large commuter base results in heavy collections and the proliferation of office buildings with vertical delivery results in more possible deliveries per unit area. In addition, there are factors which are unique to Washington. For example, the Government Mails operation makes the processing system more complex and the directionals (NW, SE, etc.) make addressing more prone to error and requires more time to process. Also, staffing has been a significant problem. Last December, complement ceilings were put in place in preparation for additional sorting systems and our delivery units struggled with unfilled vacancies. Our plants became reliant on a work force of hundreds of temporary employees who come and go over short periods of time. Plant managers hired temporary workers who could be let go when new automated equipment comes on-line or when volume drops off. The resulting buildup of less skilled temporary employees helped undermine service quality.

QUESTION: WHAT IS THE POSTAL SERVICE DOING TO RAISE WASHINGTON'S PERFORMANCE SCORES?

ANSWER: Our plan focuses on four areas -- staffing, operational processes, retail and customer services, and the metro infrastructure.

Staffing

In the past few weeks, in Washington, D.C. alone, we have hired 75 new letter carriers, 20 new window clerks, and 30 new mail handlers, and an additional 60 mail handlers in the Southern Maryland plant.

To ensure service improvements in the Baltimore area, we are converting 84 transitional workers to career employment during September and will hire an additional 33 clerks and 85 carriers in September. We have filled employee vacancies in Silver Spring, Rockville, Hyattsville, and Mechanicsville, Maryland. We are reviewing our hiring needs in Suburban Maryland and Northern Virginia.

We are ensuring that new employees have adequate training and ongoing staff reviews are ensuring we have the right number of employees in the right places. We have replaced one plant manager, and will make other reporting and leadership changes as needed.

Operational Processes

To improve our operational processes, we are examining our basic systems and working to build skills. We are reviewing every aspect of our operations, from the collection box to the mailbox, to address any deficiencies.

To help speed local mail delivery in the Washington and Baltimore areas, we have installed special collection boxes marked "local mail only" to keep such mail within the community. We are working with our business customers to get mail into the system earlier in the day. These early collection efforts have resulted in 40 percent of the mail being canceled by 6 p.m. in Washington and 45 percent in Baltimore, an improvement of 25 percent.

We are coordinating with our plant managers and supervisors to do a better job of planning and preparing for the anticipated day's mail and we are working to ensure that mail is sorted and dispatched the day it arrives, for delivery the next day.

Also, we have nine service improvement teams, comprised of craft and management employees who are deployed on plant floors and docks to examine the operations in an effort to improve mail processing and dispatching. Our Delivery Accuracy Team has been charged with finding and fixing misdelivery problems throughout the Metro area.

To expedite mail to the federal government and improve mail handling in the Suburban and Southern Maryland plants, processing plants across the country have begun separating government mail. We also have been examining and adjusting delivery routes to provide prompt and consistent delivery at a reasonable hour each day.

Retail and Customer Services

Each delivery unit in Washington soon will have "Consumer Advocate" positions to be central customer contacts for any question or concern to facilitate better service.

We are working to upgrade lobbies and vending equipment and striving to provide retail service in fewer than five minutes.

By October we will have a local telephone system for D.C. customers to provide customers with fast, professional attention to service concerns and questions.

Prior to the holidays, we will distribute special ZIP Code directories throughout the area as a handy resource for business and residential customers preparing holiday mailings. We will be working with local printers and advertisers to help customers put better addresses on their mail.

We also are reaching out to customers to get their ideas on ways to improve service performance through our Customer Advisory Councils. We have had a positive response for volunteers and these councils are helping us identify and fix service problems. Recently we have established councils throughout the Southern and Suburban Maryland areas. We will create a Government Agency Council to improve relationships and responsiveness to the federal agencies and organizations we serve. Moreover, we have conducted Town Hall meetings in Maryland and had one for Washington, D.C. with Congresswoman Eleanor Holmes Norton on September 7.

Infrastructure

We are working to upgrade our equipment and facility infrastructure and have identified facilities for improvement to allow customers easier access to services. We also are in the process of bringing Remote Barcoding on line in all of our plants. We are operational in Northern Virginia and are 50 percent implemented in Suburban Maryland. Remote Barcoding will be running in Baltimore during September and Washington will be on line in November. These systems will help us barcode handwritten and poorly addressed mail, and get virtually all mail onto our automated equipment for consistent, accurate sorting.

POSTAL SERVICE CHIEF INSPECTOR

* THE POSTMASTER GENERAL APPOINTED THE CHIEF INSPECTOR OF THE POSTAL SERVICE TO ACT AS INSPECTOR GENERAL. UNFORTUNATELY, THE CHIEF INSPECTOR LACKS INDEPENDENCE; MOST INSPECTORS GENERAL ARE NOMINATED BY THE PRESIDENT AND CONFIRMED BY THE SENATE.

* AN INDEPENDENT INSPECTOR GENERAL WOULD HAVE PURSUED THE REMEDIAL RECOMMENDATIONS MADE BY POSTAL INSPECTORS AS A RESULT OF THEIR INVESTIGATIONS IN 1991, IN 1993 AND AGAIN IN MAY 1994. HOWEVER, POSTAL MANAGEMENT IGNORED MANY OF THESE RECOMMENDATIONS.

QUESTION: WHY HAS POSTAL MANAGEMENT FAILED TO IMPLEMENT THE REMEDIAL RECOMMENDATIONS OF THE POSTAL INSPECTORS?

ANSWER: More recent Inspection Service audits indicate that actions are being taken by postal management based on recommendations in the 1991 and 1993 audits. We are in the process of implementing recommendations from the 1994 audit. It is management's policy to review all recommendations for improvement and implement those suggestions which are feasible. There are occasions where recommendations which seem appropriate in one area will have an unexpected undesirable effect in other areas. In those instances, our policy is to attempt to correct the deficiency using a solution which will have the least negative impact on the system as a whole.

QUESTION: LEGISLATION IS PENDING BEFORE CONGRESS TO ESTABLISH AN INDEPENDENT OFFICE OF INSPECTOR GENERAL IN THE POSTAL SERVICE. DO YOU FAVOR THIS LEGISLATION? IF NOT, HOW WILL YOU INSURE AUDIT RECOMMENDATIONS OF THE POSTAL INSPECTORS ARE IMPLEMENTED EXPEDITIOUSLY?

ANSWER: The Postal Service does not favor H.R. 4400, a bill seeking to establish a Presidentially-appointed Inspector General for the Postal Service. The bill would create a costly bureaucracy to accomplish the same tasks that are now being performed under existing legislation, reduce the ability of the Postal Inspection Service to respond to workplace violence and other crimes involving the mails and the Postal Service and, contrary to the Postal Reorganization Act of 1970, reintroduce partisan politics into the Postal Service.

Before responding further to the question, I would like to clarify several points contained in the remarks which preceded the question. The Chief Postal Inspector is designated, in 1988 amendments to the Inspector General Act of 1978, 5 U.S.C. App. 5, as the Inspector General of the Postal Service. Of the 72 existing offices of Inspector General in the federal government, 40 are appointed by the head of the agency in which they serve and 32 are appointed by the President. The Chief Postal Inspector is appointed by the Postmaster General and exercises the same degree of independence as has been conferred by the statute upon the other Inspectors General by the Inspector General Act of 1978. Under this statute, the agency-appointed and Presidentially-appointed Inspectors General have a

responsibility to recommend to the agency in which they serve, procedures for improving programs and operations of the agency and, thereby, to reduce fraud, waste and abuse. Neither agency-appointed nor Presidentially-appointed agency management is required to follow recommendations the agency has not agreed with. The pending legislation should not require the Postal Service to implement all recommendations of the Presidentially-appointed Inspector General the bill seeks to establish.

The Chief Inspector/Inspector General of the Postal Service maintains a computerized tracking system which tracks all findings and recommendations made to Postal Service management and reflects the responses received from management regarding implementation. These reports and recommendations are summarized in semiannual reports to the oversight committees, the Postal Service Board of Governors and senior Postal Service management. Any audit recommendation which management decides not to implement is cited in the semiannual Inspector General report. In addition, the Chief Inspector/Inspector General participates in meetings of the Board of Governors and the Audit Committee of the Board of Governors and provides routine and special reports on efforts to reduce fraud, waste and abuse in the Postal Service.

EARLY WARNING SYSTEM

* **THE MAIL CONDITION REPORT SYSTEM (MCRS), PROVIDES INFORMATION TO MANAGERS ON, AMONG OTHER THINGS, DELAYED MAIL. IN THE WASHINGTON AREA AND PROBABLY ELSEWHERE, FORMS WERE IMPROPERLY COMPLETED AND GAVE AN INACCURATE PICTURE OF THE AMOUNT OF DELAYED MAIL.**

* **PROPERLY COMPLETED MCR'S WOULD HAVE BEEN AN EARLY INDICATION TO HIGHER MANAGEMENT OF THE DELAYED MAIL PROBLEM.**

QUESTION: WHAT TRAINING PROCESS HAS BEEN UNDERTAKEN TO INSURE THAT ALL PERFORMANCE MEASUREMENT FORMS, INCLUDING THE MCRS, ARE COMPLETED CORRECTLY?

ANSWER: Each of the 10 Area Offices has a designated Coordinator for the MCRS. Each Area Coordinator is provided ongoing training in every aspect of MCRS. Current Users' Guides are provided to those with the responsibility for gathering the data. When necessary, updates are issued when any aspect of the data collection/input policies is modified. In fact, Area Coordinators meet at the national level every Postal Quarter to discuss enhancements and use of the system. Video Teleconferencing is also done on an as-needed basis to resolve emerging issues. Additionally, each Area conducts its own training session with the facility managers and bargaining unit employees that are responsible for the input of the MCRS data.

Locally, the Mid-Atlantic area has developed a "self-audit" checklist so facilities can monitor their reporting procedures.

QUESTION: HOW IS AGENCY MANAGEMENT BEING HELD ACCOUNTABLE FOR ACCURATE REPORTING?

ANSWER: The Inspection Service routinely conducts unannounced site inspections focused on the accuracy of the reporting into the MCRS. They perform such audits at various times: annually, during peak mailing periods, as the result of a request from a specific functional area and in order to examine the specific handling of a particular mailstream (General Mail Facility, Bulk Mail Center, etc.).

QUESTION: WHAT FOLLOW-UP PROCEDURE IS IN PLACE TO ENSURE THAT ANY DELAYED MAIL IS BROUGHT TO THE ATTENTION OF UPPER MANAGEMENT SO THAT THE NECESSARY RESOURCES MAY BE EMPLOYED TO CORRECT DEFICIENCIES?

ANSWER: At the national level, the Executive Information System has as one of its components the MCRS. This application displays On-Hand, Plan Failures and Delayed Volumes for approximately 350 processing plants nationwide, including Processing and Distribution Centers, major Air Mail Centers and the Bulk Mail Centers on a daily basis. Additionally, each Area Manager, Plant Manager, Manager, Distribution Operations, and some designated Support Staff in each facility is provided either hard copy reports or electronic access to the daily information contained in the MCRS. This information is then

used in the decision making process regarding the deployment of resources. Accounting Period summary reports and related trend analyses are also provided in order for the responsible parties to be able to make more informed decisions.

QUESTION: DESCRIBE ANY OTHER MANAGEMENT MECHANISMS CURRENTLY IN PLACE TO IDENTIFY WHEN PROBLEMS EXIST WHICH WOULD REQUIRE IMMEDIATE CORRECTIVE ACTION?

ANSWER: At the National level, each week, a report is sent to Senior Management and the Area Vice Presidents with data, charts and an executive summary that recaps the conditions being reported within MCRS. In addition, during the holiday mailing season, daily monitoring at the national level takes place, as well as daily telecons which address the specific conditions of individual plants.

REORGANIZATION

* **THE POSTMASTER GENERAL ORDERED A MAJOR REORGANIZATION OF THE POSTAL SERVICE IN 1992.**

* **THE POSTMASTER GENERAL ORDERED A SECOND REORGANIZATION IN JUNE 1994.**

QUESTION: DESCRIBE THE OBJECTIVES FOR THE 1992 POSTAL SERVICE REORGANIZATION AND ITS MAJOR COMPONENTS.

ANSWER: In July 1992, the Postal Service set three goals designed to help it become more accountable and competitive:

- To improve customer service and satisfaction;
- To hold postage rates steady another year by reducing the projected $2.2 billion deficit for 1993; and
- To reduce layers of bureaucracy and postal overhead, starting at the top.

In August, the Postal Service announced a leaner, flatter management structure that reduced the number of senior officers from 42 to 24, eliminated several layers of management, cut Headquarters staffing by 37 percent, and created a new field structure with 10 areas, 75 customer services districts, and 250 processing plants.

To avoid layoffs and minimize the impact of the reorganization on employees, the Postal Service offered an early-out retirement option and retirement incentives to a number of employee groups. More than 47,000 employees took advantage of these incentives and retired from the Service.

To improve customer satisfaction, we undertook a number of service improvements. We expanded hours of business in many post office lobbies and acceptance units; made mailing guidelines simpler and more user-friendly; enchanced our focus on customer services with a new function dedicated to improving mail delivery and retail services; and worked more cooperatively with mailers on a variety of fronts to resolve problems and better meet their needs.

QUESTION: WHAT WAS THE BASIS FOR ORDERING A SECOND REORGANIZATION IN 1994? DESCRIBE THE OBJECTIVES FOR AND THE MAJOR COMPONENTS OF THIS REORGANIZATION.

ANSWER: In June, in response to feedback from Members of Congress, customers, and employees and their representatives, we fine-tuned our management structure to increase the levels of teamwork and accountability in our system.

We united operations managment at the area level. In each of our ten areas, we now have one overall manager with the rank of Vice President making sure that we work together to get the mail sorted and delivered to customers.

Second, we filled these important new jobs with bold, creative leaders capable of driving change and improvement and inspiring teamwork and cooperation. They report directly to a new Chief Operating Officer, Bill Henderson.

And third, this direct reporting relationship to the COO allowed us to eliminate a layer of Headquarters management and put our top line field management team only one layer away from the Postmaster General.

These adjustments have simplified and unified our structure, and are already helping us to improve our performance.

QUESTION: TO DATE, WHAT ASSESSMENT HAS BEEN MADE OF THE CHANGES IMPLEMENTED PURSUANT TO THE REORGANIZATION? WHAT ARE THE ASSESSMENT RESULTS?

ANSWER: The 1992 restructuring was necessary for the Postal Service to respond to the many competitive pressures it faces. On the whole, it was a success.

In 1993, because of the steps taken to improve service quality, independent measurements of customer satisfaction reached an all-time high. In addition, according to mailers, we provided some of the best service ever during that year, especially over the holidays. Although service performance has slipped some in 1994, we have responded quickly, fine-tuning our field structure to improve accountability and teamwork and working to correct problems.

Financially, the projected $2.2 billion operating deficit for 1993 was reduced to just $371 million. Adjusting for the revenue forgone shortfall, we lost just $53 million and eliminated nearly 98 percent of the original deficit. These savings have enabled the Postal Service to hold postage rates steady until 1995, the longest period since we became self-sufficient in 1971, and to seek a modest 10.3 percent rate hike for most types of mail, well under the rate of inflation in the economy and the lowest increase we have sought in a quarter century.

The restructuring eliminated 23,000 overhead positions, helping us respond better to customer and operational needs and saving customers more than a billion dollars a year. The staffing changes included a reduction of 464 of the1,105 senior level executive positions and approximately 9,000 middle management jobs in plants and post offices throughout the country. The Postal Service has subsequently rehired craft employees to fill jobs vacated by retired workers and to sort and deliver the nearly 4 billion new pieces of mail we have received this year. However, by freeing up more positions than needed for placement purposes, the buyout afforded us the opportunity to hire less costly casual and transitional employees, giving us more operational flexibility.

BUYOUTS

* **A RETIREMENT INCENTIVE WAS A MAJOR PART OF THE 1992 REORGANIZATION.**

* **$1.0 BILLION WAS SPENT IN BUYOUTS OF 47,828 EMPLOYEES WHICH LEFT THE POSTAL SERVICE SHORT ON EXPERIENCED CLERKS, MAIL HANDLERS, AND CARRIERS.**

* **IMPLEMENTATION OF THE BUYOUT WAS ACROSS THE BOARD AND RESULTED IN OVER TWO-THIRDS OF THE RETIREES BEING MAIL HANDLERS.**

QUESTION: WHAT WAS THE REASON FOR THE BUYOUT? WHAT WAS THE TARGETED GROUP FOR THE BUYOUT?

ANSWER: The buyout was an essential element of the restructuring, used to achieve downsizing in the bureaucracy and to help eliminate a forecast $2 billion deficit. The buyout targeted overhead positions - those positions that "do not touch the mails." More specifically we identified overhead complement by asking the following questions:

- Does the person work directly on the delivery of the service?
- Does the person have direct interface with the customer?

At the same time, we also identified, for possible reductions, non-complement related overhead expenses, including infrastructure requirements such as facilities, vehicles, supplies, etc.

This process identified some 30,000 positions having a potential for elimination out of 105,000 positions determined to be overhead. Based on downsizing experiences in government elsewhere, we determined that a buyout would be necessary to achieve our goal of streamlining the organization to become more accountable and competitive.

We carefully considered all aspects of the buyout, especially what employee groups were to be included and excluded. Our key concern, in addition to the overriding goal of maintaining service levels, was to be able to place all of the non-retiring employees who held overhead positions that were eliminated into non-overhead positions in an expeditious manner. This required the creation of vacancies through retirement incentives to employees holding non-overhead positions. Another factor in the decision on the scope of the buyout was a need to lay a foundation for automation-driven complement reductions. The automation impact on USPS complement is so significant that an arbitrator created a new category of non-career employee whose only purpose is to serve in positions targeted for phase-out due to automation. For all these reasons, the buyout encompassed every major category of employee, except rural carriers (because their contract prevented replacement of displaced employees), maintenance employees (because of the critical need for their skills and the long training lead times associated with replacing them), and several groups associated with law enforcement. This strategy allowed the Postal Service to minimize the disruption to the remaining employees which would result with automation and other cost reduction strategies.

Although the buyout freed up more positions than needed for placement purposes, we took the opportunity to hire more casual and transitional employees, obtaining greater flexibility and lowering costs.

In summary, there were three specific goals of the Postal Reorganization: 1) reduce layers of bureaucracy and postal overhead, starting at the top; 2) improve service quality and customer satisfaction; and, 3) hold rates steady by eliminating the projected $2 billion deficit for Fiscal Year 1993. Although the buyout is directly associated with reduction of postal overhead, it also played a significant role in helping the Postal Service work toward the other goals.

QUESTION: OF THE PERSONNEL WHO ACCEPTED THE BUYOUT, HOW MANY WERE EXPERIENCED CLERKS? HOW MANY WERE MAIL HANDLERS? HOW MANY WERE CARRIERS?

ANSWER: A total of 16,882 clerk craft employees accepted the incentive to retire from the Postal Service. Also retiring under the incentive were 11,933 city carriers and 2,346 mail handlers.

QUESTION: OF THE SUPERVISORS AND MANAGERS WHO ACCEPTED THE BUYOUT, HOW MANY WERE INVOLVED IN PROCESSING MAIL?

ANSWER: Accepting the buyout offer were 1,864 mail processing supervisors. The number of managers involved in mail processing retiring due to the incentive is not separately available. However, 5,052 Postmasters accepted the buyout offer. Postmasters were included in the buyout so that other overhead supervisors could be placed in their vacant positions.

QUESTION: WHAT ANALYSIS WAS DONE TO DETERMINE THE IMPACT THE BUYOUT WOULD HAVE ON POSTAL SERVICE OPERATIONS?

ANSWER: To anticipate the impacts of restructuring, detailed analyses were conducted to determine the number of retirement- and "early out-" eligible employees, and to estimate the numbers likely to avail themselves of the early out incentive. Those forecasts were segmented by employee category (i.e., bargaining and non-bargaining), craft designation, labor distribution code and facility type. Those analyses highlighted the potential impact of the restructuring in a way that was most meaningful for planning purposes.

QUESTION: HOW DID YOU PLAN TO FILL THE VOID CREATED AS A RESULT OF YOUR OFFER?

ANSWER: It was recognized early on that certain critical skill sets could not be reduced without significant adverse impact. It was decided therefore, that equipment maintenance, rural carrier, and Inspection Service personnel would be excluded from the early out offer. Similarly, to minimize disruption during the high volume fall mailing season, certain employee designations were not given the opportunity to leave until after the Christmas period.

Additionally, productivity gains from our automation program were expected to compensate for a reduction in craft employees.

Finally, we did anticipate hiring additional employees in categories in which we knew shortages would result. We were, however, successful in hiring lower cost Transitional Employees as replacements.

PROCESSING CENTER COMMUNICATION

* EFFICIENT MAIL SERVICE IN THE GREATER WASHINGTON METROPOLITAN AREA DEPENDS ON THE SYNCHRONIZED ACTIONS OF ALL FIVE PROCESSING AND DISTRIBUTION CENTERS.

* A BREAKDOWN AT ONE CENTER DISRUPTS THE TIMELY CYCLE OF THE MAIL FLOW.

* COMMUNICATIONS BETWEEN CENTERS ARE POOR, AND LEAD TO DISRUPTED OR DELAYED MAIL PROCESSING.

QUESTION: WHAT SYSTEMS ARE IN PLACE TO ENSURE CLOSE COORDINATION AND INTERACTION AMONG THE PROCESSING AND DISTRIBUTION CENTERS?

ANSWER: To coordinate inter-plant processing, Metro Area operations are linked through official plant operating plans. These operating plans, which must be approved by the Area Office, coordinate all necessary processing windows between Metro Plants, operation by operation. In addition, Metro telecons take place so that adjustments in these operating plans can be discussed and solutions can be developed as needed. Metro inter-plant performance is tracked and results of their nightly performance is faxed daily within the area. Weekly telecons are currently being held by the Area Vice President with the Capital Cluster to include Baltimore and Richmond so that additional interaction between plants is improved.

QUESTION: IN THE EVENT OF A FAILURE OF TRANSPORTATION AVAILABILITY TO MEET A DELIVERY SCHEDULE OR THE BREAKDOWN OF A PIECE OF MACHINERY TO PROCESS THE MAIL ON A TIMELY BASIS, WHAT BACKUP SYSTEMS DO YOU HAVE IN PLACE TO PROTECT THE SCHEDULED DELIVERY OF MAIL?

ANSWER: In the event of transportation failure, local offices have the capability and flexibility to quickly provide back-up transportation. In the event of equipment failure, the Metro area policy calls for neighboring plants to supply any needed parts, and to assist the troubled facility in processing mail if necessary.

DEMURRAGE CHARGES

* **THE POSTAL INSPECTOR'S MAY 1994 REPORT DISCLOSED OVER $1 MILLION PER YEAR WAS BEING PAID FOR DEMURRAGE CHARGES FOR VANS OWNED BY RAILROADS LOCATED AT THE SOUTHERN MARYLAND CENTER. TO DATE, THE POSTAL INSPECTORS HAVE NOT RECONSTITUTED THE RECORDS TO DETERMINE HOW LONG THESE VANS HAVE BEEN RENTED.**

* **POSTAL INSPECTORS ADVISED THE NUMBER OF THESE VANS HAS BEEN REDUCED TO 65.**

QUESTION: WHAT ACTIONS ARE BEING TAKEN TO PROMPTLY RETURN THE VANS TO THE RAILROAD?

ANSWER: The Washington BMC vehicle control yard is recognized as a railhead or a pool for ConRail and Chessie trailers. Trailers under these contracts are handled electronically through the Rail Management Information System (RMIS) after being unloaded, thus minimizing the payment of detention. Trailers under contract with Norfolk & Southern are returned empty or loaded promptly. The bulk of detention results from empty equipment since the Washington BMC is the concentration center for housing this equipment. Although warehouses are being used to store most types of equipment, housing this equipment on wheels provides an available source to fill orders quickly. The cost of off-loading a trailer to storage and reloading the same offsets the cost paid in detention.

QUESTION: HOW MUCH HAS THE POSTAL SERVICE BEEN CHARGED FOR THESE VANS?

ANSWER: Detention cost for detaining a rail trailer varies depending upon the carrier. The rates for detention for carriers under contract to the Washington BMC are: Norfolk & Southern, $32 per day; ConRail, $20 per day; and Chessie, $17 per day.

During the period from 4/30/94 to 6/24/94, sixty-four (64) trailers were in detention. A total of $31,978 was paid in detention to the three railroads.

QUESTION: WHAT IS THE LONGEST PERIOD OF RENTAL FOR A VAN AND ITS COST?

ANSWER: During this period a van was detained 98 days for a cost of $3,136.

OVERTIME

QUESTION: HOW MUCH DID OVERTIME PAYMENTS IN THE WASHINGTON, DC AREA COST FOR THE WEEKEND OF JULY 24?

ANSWER: The total cost of overtime for the weekend of July 24 in the Capital Performance Cluster (the Washington, D.C. area) was approximately $300,000.

CASUAL AND TEMPORARY WORKERS

QUESTION: DOES THE POSTAL SERVICE RELY TOO MUCH ON CASUAL AND TEMPORARY EMPLOYEES?

ANSWER: No. Nationwide, career employees constitute 91.3% of the Postal Service workforce. Casual and transitional employees make up 3.6% and 5.1% of the workforce, respectively. In the Washington metropolitan area, casual employees represent about 3.6% of the workforce and transitional employees about 4.2%.

Casual employees provide the Postal Service some scheduling flexibility in response to workload fluctuations. Transitional employees are temporary workers who fill positions which will, at some point, be eliminated by automated mail processing. Limits on the proportions of casual and transitional employees in the workforce were determined through negotiations between Postal Service management and the American Postal Workers Union, the National Association of Letter Carriers, and the Mail Handlers Union.

QUESTION: ARE YOU SATISFIED WITH THE QUALITY OF THEIR WORK?

ANSWER: Yes. Casual and transistional employees receive adequate training to provide high quality work.

QUESTION: CURRENTLY, HOW MANY TEMPORARY AND CASUAL EMPLOYEES ARE EMPLOYED IN THE FIVE PROCESSING AND DISTRIBUTION CENTERS AND THE BULK MAIL CENTER IN THE WASHINGTON AREA?

ANSWER: As of August 19, 1994, there were 922 casual and temporary employees employed at these facilities.

QUESTION: PLEASE DESCRIBE THE CRITERIA AND STANDARDS WHICH EXIST FOR THE HIRING OF CASUAL AND TEMPORARY EMPLOYEES?

ANSWER: Casual employees are hired from several recruitment sources, such as student programs, former employees, employment service referrals, and applicants queried from our examination registers. Transitional employees are hired from our examination register through a competitive process, or from a pool of former casuals who performed successfully during their previous employment. All recruitment sources recognize veteran preference in the hiring process.

QUESTION: WHAT BACKGROUND INVESTIGATION IS DONE ON THESE EMPLOYEES?

ANSWER: Regardless of the recruitment source, all postal applicants must meet our suitability standards, including drug screen collection, medical assessment, review of prior employers and criminal history records, from the county and state where the applicant resides.

QUESTION: ARE FBI FINGERPRINT CHECKS MADE ON THEM?

ANSWER: All appointments, career, transitional, and casual require the completion of a fingerprint chart and processing by the FBI to identify criminal history records not revealed during the state and local police checks.

TRAINING

QUESTION: WHO IS RESPONSIBLE FOR TRAINING PROGRAMS? DO THESE TRAINING PROGRAMS HAVE A PRINTED SYLLABUS? HOW OFTEN AND WHERE IS TRAINING CONDUCTED AND BY WHOM?

ANSWER: Headquarters Management and Employee Development has overall responsibility for training programs. Each formal training program has a syllabus. Details on the training given to new employees hired as clerks and letter carriers, for example, are contained in Handbook EL 701-A, New Employee Training.

Local Postal Employee Development Centers are responsible for the training of new employees, which is conducted by training specialists and job instructors. Such training is administered continually, as new employees are hired, at local training centers, craft training academies, and the new employee's job site.

QUESTION: DO TEMPORARY AND CASUAL EMPLOYEES RECEIVE THE SAME TRAINING GIVEN TO PERMANENT EMPLOYEES? IF NOT WHY? ALSO, HOW DOES IT IMPACT ON THE QUALITY OF MAIL OPERATIONS?

ANSWER: Temporary and casual employees receive the same craft skills building training as career employees. For example, a temporary letter carrier would get the same casing and delivery training as a permanent letter carrier.

Temporary and casual employees are not given as much postal orientation and craft basics training as are career employees. Following are examples of topics covered with career employees that are not covered with temporary employee: insurance, union representation, specifics of the labor agreements, career development, plans for future postal automation, organizational structure, job categories, designation of crafts, postal history. It is felt that temporary employees do not have a need to know this information and that a better use of the temporary employee would be on the job. This does not impact the quality of mail operations.

QUESTION: ARE TEMPORARY OR CASUAL EMPLOYEES BEING ASSIGNED TO RUN MACHINES ON WHICH THEY ARE NOT SUFFICIENTLY TRAINED?

ANSWER: No, generally these categories of employees are not used on machines since the training period is extensive and the employment period is not sufficiently long to get an adequate return on our training investment.

QUESTIONS FOR THE RECORD SUBMITTED BY MS. NORTON

INSPECTION SERVICE AUDIT REPORT

1. **THE INSPECTION SERVICE AUDIT, DONE IN MAY, NOTES THAT THE WASHINGTON D.C. PROCESSING AND DISTRIBUTION CENTER "HAD LARGE VOLUMES OF FIRST-CLASS MAIL IN THE GOVERNMENT MAIL SECTION WITH DATES AS OLD AS FEBRUARY 1994," AND GOES ON TO SAY "THIS HAS BEEN AN ONGOING PROBLEM" AT THE FACILITY.**

QUESTION: WHAT WAS THE CAUSE OF THE DELAYS CITED IN THE REPORT?

ANSWER: All government agencies in Washington D.C. are assigned unique ZIP Codes. The mail in question was sent to the agencies identified by the ZIP Code, but returned by those agencies as missent. Agencies often do not return this mail in a timely fashion, but rather wait until they accumulate large volumes. Also, many agencies mix this mail with their regular collection mail, a practice which often results in our processing the mail back to the agency since the original error is not detected. Automated processing sorts agency mail by ZIP Code, so if the sender applies an incorrect ZIP Code, our automated equipment cannot correct the error.

QUESTION: WHAT SPECIFIC PROCEDURAL STEPS HAVE BEEN INITIATED TO CORRECT THE DELAYS?

ANSWER: We have initiated a Missort/Missent Unit staffed by scheme-qualified employees with knowledge of the entire city. Mail returned and identified as missent/missorted is sent directly to the unit for processing. All mail worked in this unit is dispatched immediately to the correct destination.

This office has formed a Government Mails Quality Team. The team members have the authority to visit any unit in the plant or any government agency to review the quality of distribution. Additionally, they can visit any carrier unit to review quality and return mail. The team members meet weekly to identify opportunities for improvement, which they report to the team sponsors.

QUESTION: WHAT SPECIFIC PERSONNEL ACTIONS HAVE BEEN INITIATED TO CORRECT THE DELAYS?

ANSWER: We staffed our Government Mail Unit with additional employees on each tour. These employees do 100% verification of Government Mail prior to dispatching. We are training employees on the Government Mail schemes to process on Tour 3.

Additionally, we have initiated an Advisory Council. The council consists of representatives from several agencies and the Postal Service to jointly resolve service problems, share information and develop relationships.

QUESTION: WHAT IS THE MAIL CONDITION REPORTING SYSTEM (MCRS)?

ANSWER: The Mail Condition Reporting System (MCRS) is a national data collection system that generates reports in a variety of formats for use by facilities, Area Offices and Headquarters.

The MCRS report allows local managers to monitor the conditions of their facility by examining their performance against an established "Operating Plan" (which is a very detailed document containing specific time-targets that need to be achieved in each distribution operation to meet our various service commitments). The MCRS measures a facilities performance against those targets during the previous 24 hours. It identifies instances where we failed to meet our plan (Plan Failure); reports on mail volumes in a plant (On-Hand) at a designated time every day (approximately 7:00 am) and identifies any volumes of mail which were received and/or processed too late to meet the scheduled dispatch of value (Delayed).

Problems in the processing, distribution and dispatch of mail can be identified and corrective action taken to improve overall operational efficiency and service.

QUESTION: WHAT IS ITS PURPOSE?

ANSWER: MCRS provides a mechanism for monitoring the distribution function within designated postal facilities, identifies facilities having problems achieving operational targets, and provides data for analyzing operational trends.

QUESTION: WHAT INFORMATION IS SOLICITED ON A MCRS?

ANSWER: MCRS collects On-Hand, Plan Failure and Delayed Volume data as it relates to the facility Operating Plan. This information is also categorized by class of mail and type of operation.

QUESTION: WHAT DOES SUCH INFORMATION RELATE ABOUT THE QUALITY OF OPERATIONS AT ANY GIVEN POSTAL FACILITY?

ANSWER: Since this report, at the plant level, identifies the performance in each distribution operation during the previous 24 hour period, it can be used as an accurate barometer by which to judge the quality of operational compliance versus the established Operating Plan which has been designed to meet out customers' service expectations. MCRS can assist management in analyzing operational trends, which may lead to identifying operational needs such as inadequate staffing levels or processing capabilities.

QUESTION: HOW OFTEN ARE MCRS FORMS TO BE FILLED OUT?

ANSWER: Daily except Holidays.

QUESTION: WHO IS RESPONSIBLE FOR FILLING OUT MCRS FORMS AT ANY GIVEN POSTAL FACILITY?

ANSWER: It varies from facility to facility, but is usually a combination of first-line managerial staff along with the assistance of bargaining unit employees, with the ultimate responsibility being that of the Plant Manager.

QUESTION: WHO REVIEWS SUBMITTED MCRS FORMS?

ANSWER: Again this varies from facility to facility, but usually at a minimum includes first line management, operations support staff at the plant, and the Plant Manager. Usually, no one at the Area level or at Headquarters would ever have occasion to review the actual MCRS forms, but instead they review the final electronic rolled-up data input into the MCRS from those forms.

QUESTION: WHO IS RESPONSIBLE FOR FILLING OUT THE MCRS AT THE D.C. BULK MAIL CENTER?

ANSWER: In-Plant Support personnel.

QUESTION: WHAT EXPLANATION WAS GIVEN FOR THE UNDER REPORTING OF "ON HAND" MAIL VOLUMES AT THE D.C. CENTER BY 46,800 PIECES ON MAY 17, 1994 AS REPORTED IN THE INSPECTION SERVICE AUDIT REPORT?

ANSWER: The Manager, Washington BMC does not recall this particular finding being discussed with him at the time of the audit; however the discrepancies could have been caused by using different conversion rates, or taking the count at different times. Additionally, the Manager has requested that Inspection Service personnel accompany the people taking the count so perceived differences can be discussed and resolved at that time.

QUESTION: WHAT SPECIFIC PROCEDURAL STEPS HAVE BEEN INITIATED TO CORRECT SUCH UNDER REPORTING?

ANSWER: A video conference was held on Wednesday, June 15 with the Headquarters coordinator, Inspection Service representative and the Area MCRS Coordinators. The coordinators were briefed on the Inspection Service finding and provided in depth reports as to the findings. Each Area Coordinator is committed to accurate reporting and would be discussing corrective action with their Area Supervisors.

Locally, the Washington BMC now has In-Plant Support personnel taking the floor count to better ensure accurate and consistent reporting. In addition, the Manager, In-Plant Support has been given the responsibility to assure that MCRS counts are verified.

QUESTION: WHAT SPECIFIC PERSONNEL ACTIONS HAVE BEEN INITIATED TO CORRECT SUCH UNDER REPORTING?

ANSWER: There is no specific national "blanket" policy dealing with this issue. However, when such occurrences are verified, it has traditionally been the responsibility of local management most familiar with the circumstances to initiate appropriate corrective action based on the individual merits of the specific case. Most frequently, this falls under the responsibility of either the Plant Manager or Area Manager; however, such actions are always meted out on a case-by-case basis.

QUESTION: DESCRIBE THE COLOR CODING SYSTEM USED AT POSTAL SERVICE PROCESSING AND DISTRIBUTION CENTERS?

ANSWER: The color coding system is a means to identify and track bulk business mail to ensure delivery within service standards. As bulk business mail arrives at the destination facility, it is tagged with a color code representing the scheduled delivery day. This tag remains with the mail until cased and delivered by the carrier.

QUESTION: WHAT IS THE PURPOSE OF COLOR CODING THE MAILS?

ANSWER: The purpose of color coding is twofold. First, color coding is used as a visual means of tracking mail so that it can be worked on a first-in, first-out basis. Second, color coding is used to help assure that mail is delivered within its service commitment.

* **THE INSPECTION SERVICE AUDIT REPORT FOUND THAT MAIL AT THE D.C. PROCESSING AND DISTRIBUTION WAS "NOT COLOR CODED OR WAS COLOR CODED IN AN INCONSISTENT MANNER," AND THAT EMPLOYEES AND MANAGEMENT WERE AWARE OF THE NEED TO COLOR CODE "BUT DUE TO A LACK OF ATTENTION, IT WAS NOT BEING DONE CONSISTENTLY."**

QUESTION: PLEASE EXPLAIN THE CAUSE OF THIS PROBLEM?

ANSWER: The use of color codes was inconsistent because of a lack of knowledge by management and employees of the color code requirements.

QUESTION: WHAT SPECIFIC PROCEDURAL STEPS HAVE BEEN INITIATED TO CORRECT THE COLOR CODING PROBLEM?

ANSWER: We have issued directives for color coding Bulk Business Mail and Second Class Mail identifying the day of receipt and the color code delivery day that should be attached to that volume. Senior managers and Managers, Distribution Operations provided training for all supervisors and employees assigned to their units.

QUESTION: WHAT SPECIFIC PERSONNEL ACTIONS HAVE BEEN INITIATED TO CORRECT THE PROBLEM?

ANSWER: All employees handling this mail received visual aids and training on the color code system.

* **THE INSPECTION SERVICE AUDIT REPORT FOUND THAT THERE WERE HIGH VOLUMES OF ALREADY DELAYED BOXED BULK MAIL ARRIVING AT TWO OF THE FOUR DELIVERY UNITS IN THE DISTRICT AND THAT THIS CONTRIBUTED GREATLY TO EXCESSIVE MAIL DELAYS OUT OF THESE UNITS.**

QUESTION: AT WHICH TWO DISTRICT DELIVERY UNITS WAS THIS PROBLEM NOTED?

ANSWER: The two units receiving delayed bulk business mail were Friendship (20007, 20008, 20015, 20016) and V Street (20002).

QUESTION: WHY WERE THESE UNITS RECEIVING SUCH HIGH VOLUMES OF MAIL IN AN ALREADY DELAYED CONDITION?

ANSWER: These units received delayed mail on occasions when the plant had heavy volumes to process. This mail was sent to delivery units using scheduled and unscheduled transportation. Although this resulted in some delayed volumes, much of this mail was delivered timely to customers.

In addition, the receipt of bulk business mail at the delivery unit when the color code was lost or missing created occasions where excessive delayed volumes were found on some routes. Mail received without a color code is scheduled for current day delivery.

QUESTION: WHAT SPECIFIC PROCEDURAL STEPS HAVE BEEN INITIATED TO CORRECT THESE DELAYS?

ANSWER: To correct these delays and improve operational procedures in the plants and delivery units, the following steps have been taken:

- Operation plans have been reinforced to maintain a current daily status in plants and delivery units.
- Delivery units are isolating delayed and curtailed mail allowing managers to make operational decisions that will ensure delivery of any delayed mail.
- Dispatch discipline is being tightened to curb late arriving mail in delivery units.
- Color coding procedures are being redistributed in plants and delivery units.

QUESTION: WHAT SPECIFIC PERSONNEL ACTIONS HAVE BEEN INITIATED TO CORRECT THESE DELAYS?

ANSWER: The following personnel actions have been initiated to correct these delays:

- Additional staffing has been provided to plant and delivery units.
- Vacant management positions are being filled.
- Increase in operational training.

UNDERSTAFFING

QUESTION: HOW SIGNIFICANT A FACTOR IS THE LOSS OF THOUSANDS OF SENIOR, EXPERIENCED POSTAL WORKERS THROUGH FIRST COME/FIRST SERVE BUYOUTS OFFERED BY THE POSTAL SERVICE IN 1992 TO THE SERVICE PROBLEMS NOW BEING EXPERIENCED IN THE D.C. METROPOLITAN AREA?

ANSWER: In the DC Metro area, 1,165 craft employees took advantage of the retirement bonus in 1992. The table below indicates the craft employee complement for the Northern Virginia (NOVA) and Capital Clusters, before the retirement bonus offer and currently. You can see that the DC Metro area craft employee complement is currently 1.6% above the May 1992 level. These data indicate that the retirees have been replaced, so the 1992 retirement bonus is no longer a factor in the service problems.

Cluster	Pre-retirement May 1992	Current	(+/-)	% Difference
NOVA	5,923	6,422	499	8.4%
Capital	11,813	11,598	-215	-1.8%
DC Metro	17,736	18,020	284	1.6%

QUESTION: HOW WOULD YOU CHARACTERIZE THE SUFFICIENCY OF CURRENT STAFF LEVELS IN D.C.?

ANSWER: SEE BELOW

QUESTION: IF UNDERSTAFFED, HOW MANY ADDITIONAL WORKERS ARE NEEDED?

ANSWER: SEE BELOW

QUESTION: HAVE ANY ACTIONS BEEN INITIATED TO INCREASE STAFFING LEVELS? IF SO, BY HOW MUCH?

ANSWER: We have been reviewing staffing levels in D.C. on an on-going basis in order to adjust to operational changes due to automation implementation and volume fluctuations. As a result, staffing in D.C. has increased from 1992 to the present time. In addition, to date, we have authorized the future hiring of 187 carriers based on our anticipated needs during the heavy fall mailing season and beyond. We are continuing to evaluate our needs.

QUESTION: PHONE CALLS HAVE ALLEGED THAT SUPERVISORS IN THE D.C. METROPOLITAN AREA ARE CURRENTLY RESPONSIBLE FOR MANAGING 60 TO 70 EMPLOYEES AT A TIME WHEN A MORE ADEQUATE MANAGER TO EMPLOYEE RATIO IS 1 TO 20. PLEASE COMMENT.

ANSWER: The standard manager to employee ratio for our processing and distribution facilities is 1 to 20. Ratios in our post offices tend to be lower, particularly in our very small post offices.

The ratios on any given day could be higher than the standard due to absences or vacancies, or due to movement of employees between operations in response to fluctuations of mail volumes in a given operation. We use acting supervisors to fill in when we have extended periods of supervisory absence.

QUESTION: RECORDS OF POSTAL SERVICE OVERTIME OVER THE PAST 10 YEARS REVEAL A STEADY DECLINE OF OVERTIME AS A PERCENTAGE OF TOTAL WORK HOURS FROM 1984 TO 1992 FROM 9.79% TO 6.74%. IN 1992, THE YEAR OF YOUR REORGANIZATION, THE PERCENTAGE INCREASES TO 7.05% AND INCREASES FURTHER TO 9.49% IN 1993. PLEASE EXPLAIN.

ANSWER: The Postal Service's use of overtime did increase during and subsequent to the restructuring. We made a commitment to the mailing public that service would not decline during the peak mailing season in late 1992. We made good on this promise; in fact it was one of the best peak season performances in recent memory, but overtime use did exceed our expectations. Many experienced workers took the opportunity for early retirement and time was needed for replacement workers to upgrade their skill levels. During this transition period overtime use was the most prudent course for most local managers to pursue in order to maintain or enhance service performance. High overtime rates have extended into the current period due to the continuing increases in mail volumes and workload. However, recent data indicate a stabilization and decline of overtime rates as compared to the same period of last year.

QUESTION: WHAT HAS BEEN THE AVERAGE LEVEL OF OVERTIME FOR A POSTAL EMPLOYEE IN THE D.C. METROPOLITAN AREA OVER THE PAST 2 YEARS?

ANSWER: AVERAGE OVERTIME HOURS PER EMPLOYEE:

	FY92	FY93	FY94 YTD
Capital Cluster	171	244	216

QUESTION: HAVE REQUEST BEEN MADE BY DISTRICT MANAGERS AND POSTAL SUPERVISORS TO HIRE ADDITIONAL PERMANENT EMPLOYEES RATHER THAN ORDER SO MUCH OVERTIME?

ANSWER: SEE BELOW

QUESTION: HOW WERE SUCH REQUEST RECEIVED?

ANSWER: SEE BELOW

QUESTION: TO THE EXTENT THE HIRING OF NEW PERMANENT PERSONNEL WAS NOT APPROVED, WHAT JUSTIFICATIONS WERE GIVEN?

ANSWER: District and Processing and Distribution managers have requested to hire additional permanent employees. At the present time we are involved in a comprehensive review of our hiring needs throughout the Mid-Atlantic area, including the Washington Metro area.

QUALIFICATIONS FOR SUPERVISORS

QUESTION: NUMEROUS CALLS FROM AREA POSTAL EMPLOYEES HAVE ALLEGED THAT AREA SUPERVISORS ARE OFTEN PICKED NOT BASED ON THEIR FAMILIARITY OR EXPERIENCE WITH THE MAILS, BUT BASED ON SUCH FACTORS AS HAVING A GOOD SICK LEAVE RECORD, SHOWING UP ON TIME FOR WORK, OR JUST BEING THE BUDDY OF THE RIGHT PERSON. PLEASE COMMENT.

ANSWER: The Postal Service has specific guidelines for the filling of initial level supervisor positions. These guidelines include applicants being screened in five general areas: oral communications, leadership ability, problem analysis, decision-making, and human relations skills. Those successful in the first screening stage are then interviewed and rated on written communications, safety knowledge, and job knowledge of the operating procedures and the goals of the function to be supervised. Those applicants that best meet the qualifications of the position are to be selected.

QUESTION: ARE SUPERVISORS IN D.C. MAILING FACILITIES REQUIRED TO BE FAMILIAR WITH ALL FACETS OF FACILITY OPERATIONS BEFORE BECOMING A SUPERVISOR, OR JUST WITH THE AREA THEY SUPERVISE? IF NOT, WHY NOT?

ANSWER: The selection procedures for supervisors are designed to identify individuals who should be successful in the position. Functional knowledge of the operation, either delivery or processing distribution, is required in order to qualify for the position. Within the processing and distribution function, local management determines where assignments will be made, and who best meets those qualifications.

During 1993, some employees affected by the restructuring were placed in supervisory positions to avoid assigning them to jobs for which they would have to relocate from the Washington, DC metropolitan area. Some of those employees were not very familiar with the specific work of the employees they supervised. Although we would prefer to assign supervisors with knowledge of the functional area, a limited number of placements were made to assure local placement opportunities.

QUESTION: IT IS MY UNDERSTANDING THAT THE TOUR 1 SHIFT AT D.C. MAILING FACILITIES (10 P.M. - 7:30 A.M.) IS THE SHIFT RESPONSIBLE FOR SORTING OVERNIGHT FIRST-CLASS MAIL FOR NEXT DAY DELIVERY, BUT THAT THE VOLUME OF SUCH MAIL THAT ENTERS THE FACILITIES DURING THE SHIFT IS FAR TOO GREAT FOR ONE SHIFT TO HANDLE. PLEASE COMMENT.

ANSWER: There is adequate capacity, in terms of both workforce and equipment, to process overnight First-Class Mail in D.C. processing and distribution facilities on Tour 1.

QUESTION: HAVE THE D.C. FACILITIES EVER IN THE PAST SORTED OVERNIGHT FIRST-CLASS MAIL DURING THE DAY TOURS OR SHIFTS?

ANSWER: No. In order to meet overnight service commitments, this mail must be processed on Tour 1 and Tour 3. Collection mail is received between 3:00 pm and 10:00 pm. Tour 3 and Tour 1 are responsible for processing this volume. Overnight mail is generated from the collection mail. Also, we receive overnight committed mail from our neighboring facilities. This mail is processed and dispatched to the Metro Area by 2:00 am and to the stations for delivery by 7:00 am.

QUESTION: IF SO, WHEN?

ANSWER: SEE ABOVE

QUESTION: IF SO, WHY WAS THIS PRACTICE ENDED?

ANSWER: SEE ABOVE

QUESTION: HAS ANY THOUGHT BEEN GIVEN TO REINITIATING THIS PRACTICE? IF NOT, WHY NOT?

ANSWER: SEE ABOVE

QUESTION: NUMEROUS CALLS FROM AREA POSTAL EMPLOYEES HAVE ALLEGED THAT THERE IS NO LONGER ANY FORMAL TRAINING GIVEN TO NEW HIRES AT D.C. MAILING FACILITIES, AND THAT THESE EMPLOYEES ARE PUT TO WORK VERY QUICKLY AND EXPECTED TO BE "TRAINED ON THE JOB." PLEASE COMMENT.

ANSWER: There is not a "no training" policy in effect.

QUESTION: IF THESE ALLEGATIONS ARE TRUE, WHEN WAS THIS "NO TRAINING" POLICY INITIATED?

ANSWER: SEE ABOVE

QUESTION: IF THESE ALLEGATIONS ARE UNTRUE, PLEASE DESCRIBE IN DETAIL THE FORMAL TRAINING THAT NEW HIRES IN D.C. DO RECEIVE? HOW LONG DOES SUCH TRAINING LAST? WHO IS RESPONSIBLE FOR PROVIDING THIS TRAINING?

ANSWER: New hire career clerks/carriers/mailhandlers receive 12 hours formal classroom training in the following areas in addition to supplemental on-the-job instruction of up to 24 hours, depending on their assignment, with employees trained to assist them:

Postal Pride
Postal Family
Important Postal Roles
What is Expected of You
Job Description & Duties
Ethics Awareness
Service Fundamentals
Postal Rights
Safety Awareness
Postal Fundamentals

Non-career clerks/carriers/mailhandlers receive four hours of training in the following areas:

Job Description & Duties
Postal Fundamentals
Important Postal Roles
What is Expected of You
Ethics Awareness
Service Fundamentals
Postal Rights
Safety Awareness

All carriers receive 40 hours of skills training:

- Carrier's Basic Duties & Responsibilities
- Demonstration & Practices - Office Time
- Demonstration & Practices - Delivery
- Service & Dependability

In addition, carriers receive 12 hours of driver orientation and vehicle training:

A. 8 hours classroom:
   - Basic Driver Skills
   - Safe Driving Procedures
   - Professionalism & Courtesy

B. Vehicle Certification
   - Training & road testing in vehicles

Window Clerks receive 120 hours of training:

Basic Duties & Responsibilities
- Image
- Customer Relations
- Courtesy
- Services
- IRT Training

During heavy hiring periods, the training units operate on expanded schedules or obtain the assistance of training offices in other locations to be sure the required training is accomplished for all new employees.

EMPLOYEE INVOLVEMENT

QUESTION: HOW WOULD YOU CHARACTERIZE OVERALL EMPLOYEE MORALE IN THE D.C. METROPOLITAN AREA?

ANSWER: SEE BELOW

QUESTION: IN THE NATION?

ANSWER: Measuring employee morale is particularly difficult. Most information from which conclusions are drawn are anecdotal; individual stories tend to turn into general statements. Even a series of either positive or negative comments or impressions must be looked at carefully in terms of the issue, the speaker, and the audience. In short, reaching broad conclusions as to morale is very problematic.

Our Employee Opinion Survey, however, may be helpful. One general question which may be close to the concept of morale asks employees to rate the Postal Service overall as a place to work. Approximately 45 percent of employees responded favorably and 37 percent were neutral on the question in 1993. The favorable responses were up from 40 percent in 1992. We have just distributed this year's survey forms to our employees, and with the results this fall, we might consider the implication of any change.

QUESTION: WHAT INITIATIVES HAVE BEEN UNDERTAKEN IN THE D.C. METROPOLITAN AREA TO IMPROVE EMPLOYEE MORALE?

ANSWER: Every district in the country has the results of last year's Employee Opinion Survey and can identify from that the areas of concern expressed by their employees. These results have been discussed by the district performance clusters and courses of action responding to those locally described issues have been developed.

QUESTION: IN THE NATION?

ANSWER: Defining morale on a national basis is problematic. We have, however, improved our employee communications and have worked hard to select executives throughout the Postal Service who value employees and act on those values.

QUESTION: WHAT INITIATIVES HAVE BEEN UNDERTAKEN IN THE D.C. METROPOLITAN AREA TO INVOLVE EMPLOYEES IN POSTAL SERVICE DECISION-MAKING?

ANSWER: SEE BELOW

QUESTION: IN THE NATION?

ANSWER: At the national level, our Leadership Team is made up of all the Postal Service officers and the national leaders of those organizations which represent our employees. That same model has been adopted by many of the performance clusters throughout the Postal Service.

MAIL CONDITION MISREPORTING

QUESTION: BOTH THE INSPECTION SERVICE AUDIT REPORT AND NUMEROUS CALLS FROM POSTAL EMPLOYEES INDICATE THAT UNDER REPORTING AND MISREPORTING MAIL VOLUMES OR MAIL DELAYS IS A SIGNIFICANT CONTRIBUTOR TO THE CURRENT MAIL DELIVERY CRISIS IN THE AREA. PLEASE COMMENT.

ANSWER: The Inspection Service has identified instances where misreporting and under reporting of mail volumes occurred. We have initiated strategies to assure that this does not recur. We have reemphasized the importance of assuring accurate reporting to eliminate erroneous decision making.

QUESTION: WHAT SPECIFIC PROCEDURAL MECHANISMS EXISTS TO REVIEW THE ACCURACY OF MAIL CONDITION REPORTING AT AREA MAILING FACILITIES?

ANSWER: The Manager, In-Plant Support has been given the responsibility to assure that the MCRS numbers are verified. Also, Area review teams include mail condition issues.

QUESTION: WHAT SPECIFIC PENALTIES ARE LEVIED ON POSTAL MANAGERS OR SUPERVISORS WHO WILLFULLY MISREPORT MAIL CONDITIONS?

ANSWER: We have no evidence of, and the Inspection Service report did not indicate willful misreporting of mail conditions.

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WASHINGTON METROPOLITAN PERFORMANCE IMPROVEMENT INITIATIVE

QUESTION: APPROXIMATELY 6-7 MONTHS AGO, THE POSTAL SERVICE HIRED THE FORUM CORPORATION TO DEVELOP AND IMPLEMENT A PERFORMANCE IMPROVEMENT PLAN FOR THE D.C. METROPOLITAN AREA. COULD YOU PLEASE DESCRIBE THIS INITIATIVE?

ANSWER: SEE BELOW

QUESTION: WHAT AREAS DID FORUM IDENTIFY AS BEING THE MAJOR AREAS OF BREAKDOWN AS REGARDS THE SERVICE AND OPERATIONS PROBLEMS IN THE D.C. METROPOLITAN AREA?

ANSWER: The Forum Corporation was hired to serve as the primary agent of cultural and institutional change in an effort to make the Washington DC Metropolitan Area postal facilities and operations a model of superior customer services. The Forum Corporation, with experience in assisting over 1,200 other companies, was selected to help ensure that the development of this process was focused on total quality and was properly oriented to the customer's perspective.

The leadership of the local Performance Clusters formed a team represented by the following areas/facilities:

Capitol District	Northern VA GMF	Washington DC (PM)
National Airport AMC	Suburban MD GMF	Dulles Airport IMPC
Southern MD GMF	Northern VA District	Washington DC GMF

The primary initial emphasis of this team was on implementing core business improvements in order to have a positive impact on service performance in each of the concerned facilities. This process is well underway and is organized in a management team-building environment heavily focused on demonstrating clear internal leadership with a strong emphasis on customer-driven behaviors and values.

With guidance from Forum, the postal managers on the team developed and are implementing an improvement action plan focused on the core postal business processes (mail collection, distribution, dispatching, transportation, etc.), as well as a major focus on all aspects of customer services.

Under their guidance, thirteen (13) teams have been activated, each dealing with a specific aspect of the major items which were identified as areas of opportunity for improvement. The challenges for which each team must craft a solution are at various levels of completion.

QUESTION: WHAT INITIATIVES HAS FORUM UNDERTAKEN TO IMPROVE THESE AREAS?

ANSWER: SEE ABOVE

QUESTION: WAS IT FORUM'S IDEA OR THE POSTAL SERVICE'S IDEA TO ELIMINATE THE 4 SENIOR VICE PRESIDENT AND AREA MANAGER POSITION THAT USED TO BE BETWEEN THE POSTAL SERVICE'S CHIEF OPERATING OFFICER AND THE REGIONAL PLANT MANAGERS?

ANSWER: It was the Postal Service's idea.

QUESTION: WHAT WAS THE POSITION ELIMINATION DESIGNED TO ACHIEVE? HAS SUCH BEEN ACHIEVED?

ANSWER: The prior organizational structure included a split of the customer service function and the processing and distribution function at the area level. These functions did not come together until the Chief Operating Officer level at Headquarters. Under the new structure, the Area Vice Presidents report directly to the Chief Operating Officer. The result is a more streamlined structure that puts a strong emphasis on its basic mission of delivering the mail.

Early results indicate that the latest restructuring is meeting expectations.

QUESTION: WHAT WILL BE THE NEW RESPONSIBILITIES AND DUTIES OF THE VICE PRESIDENT FOR THE MID ATLANTIC AREA?

ANSWER: The Vice President oversees the operations of nine customer service districts and 48 processing and distribution facilities in the Mid Atlantic Area, covering Kentucky, North Carolina, South Carolina, Virginia, West Virginia, central and western Maryland and the District of Columbia.

QUESTION: BY WHAT DATE CAN DISTRICT RESIDENTS EXPECT TO SEE NOTICEABLE IMPROVEMENT IN THEIR MAIL DELIVERY?

ANSWER: District residents can expect continuous improvement in their mail delivery over the next year.

QUESTION: WHAT INTERNAL MECHANISMS HAS THE POSTAL SERVICE ADOPTED TO MANDATE ACCOUNTABILITY IF SUCH IMPROVED SERVICE GOALS ARE NOT MET ON THE TIME SCHEDULE SET?

ANSWER: There are established internal mechanisms to ensure management accountability: Budgetary targets and reporting systems help ensure accountability for financial goals. Specific goals are established locally and mangers are expected to meet their goals in all areas. The Employee Opinion Survey helps managers gauge how well they are managing their employees, allowing them to make adjustments to improve employee satisfaction and productivity. The EXFC/CSI scores help management determine whether or not they are meeting service goals and acceptable customer satisfaction levels. If a manager fails to meet his or her goals, appropriate actions, such as retraining or reeassignment, may be taken.

QUESTIONS FOR THE RECORD FROM MR. LIGHTFOOT

QUESTION: MR. RUNYON, CAN YOU TELL US WHAT THE STANDARDS ARE FOR FIRST CLASS MAIL DELIVERY? IN OTHER WORDS, THE POSTAL SERVICE'S STANDARD FOR DELIVERY OF LOCAL MAIL, NON-LOCAL MAIL LESS THAN 600 MILES AWAY AND MAIL TO BE GREATER THAN 600 MILES AWAY.

ANSWER: There are three defined standards for the delivery of First-Class Mail. Mail originating and designating in a local area has an overnight commitment. Mail traveling outside of the local area, but within 600 miles, generally has a two-day commitment. Otherwise, the commitment is for delivery within three days.

QUESTION: WHAT PERCENTAGE OF FIRST CLASS MAIL DO YOU BELIEVE IS BEING DELIVERED WITHIN THOSE STANDARDS?

ANSWER: For Postal Quarter III, March 5 through May 27, 1994, the on-time service performance for First-Class Mail at the national level was as follows:

- Overnight commitment - 81.67%
- Two-day commitment - 71.5%
- Three-day commitment - 76.9%

These scores are obtained through a Postal Service contract with Price Waterhouse to oversee the External First-Class Measurement System (EXFC). This system has been audited by the General Accounting Office and has been found to be a statistically sound system that accurately assesses our service performance.

QUESTION: LET ME JUST SAY, VERY LITTLE FIRST CLASS MAIL IS GETTING DELIVERED TO IOWA WITHIN THAT TIME FRAME. IT IS NOT MEETING THE PERCENTAGE YOU STATED, I CAN ASSURE YOU. I WONDER WHERE YOU GET YOUR ESTIMATES.

ANSWER: For Postal Quarter III, Fiscal Year 1994, the on-time service performance for First-Class Mail for the Hawkeye Postal District, which comprises most of the state of Iowa, was as follows:

- Overnight commitment - 89.97%
- Two-day commitment - 79.3%
- Three-day commitment - 77.9%

These scores may appear higher than expected, based on complaints received from constituents. However, those incidents are not a representative sample of performance overall.

QUESTION: TO WHAT DO YOU ATTRIBUTE THE DELAYED DELIVERY PROBLEMS?

ANSWER: A combination of factors has contributed to the decline in service. When we offered the early retirement in 1992, many experienced craft employees took advantage of the offer, which we had not anticipated. Consequently, the lack of experienced personnel and insufficient staffing at some offices, combined with severe winter weather and heavy mail volumes caused the dip in our service performance. I think we have dedicated employees and managers who are committed to providing high quality mail service. I think we have a good system and we just have to use it the way it was designed.

QUESTION: ONE PRESS ACCOUNT I READ RECENTLY STATED A LARGE NUMBER OF MIDDLE MANAGEMENT PEOPLE HAD ACCEPTED BUYOUTS, LEAVING A LABOR GAP THAT YOU DID NOT INTENT TO FILL BECAUSE THOSE POSITIONS WOULD EVENTUALLY BE ABSORBED BY AUTOMATION, YET THAT COULD TAKE FIVE YEARS. WHAT DO YOU INTEND TO DO IN THE INTERIM?

ANSWER: I believe the press account is confusing two separate issues. It was the large number of experienced clerks and carriers who accepted the buyout that left a shortage of experienced craft employees. We have hired additional career employees to compensate for that shortage and to handle increasing mail volumes. We have been hiring a separate category of employees, called transitional employees, in anticipation of automation implementation. Those positions have limited terms with limited benefits. We also hire temporary employees called casual employees, who serve 89-day terms and are intended to supplement the career workforce during seasonal heavy volume periods. We will hire career, transitional, and casual employees, as appropriate, to meet any staffing needs.

QUESTIONS FOR THE RECORD FROM CONGRESSMAN WOLF

QUESTION: IN 1764 COLONIAL POSTMASTER GENERAL BENJAMIN FRANKLIN ANNOUNCED A GOAL OF TWO-DAY MAIL DELIVERY BETWEEN NEW YORK CITY AND PHILADELPHIA. IN 1994, THE POSTAL SERVICE CAN'T EVEN DO THAT WELL WITHIN MY DISTRICT. WHAT ARE THE CENTRAL PROBLEMS MAKING ON TIME DELIVERY SO DIFFICULT?

ANSWER: A combination of factors has contributed to the decline in service.

A fourth successive year without postal rate increases coupled with favorable economic conditions, particularly in Northern Virginia, have generated above average surges in advertising mail.

The complexity of mail processing operations has increased dramatically. Processing ever-growing mail volumes in processing and distribution centers has changed from managing manual or mechanized sorting equipment (letter-sorting machines) to managing automated (optical character readers and bar code sorters), manual and mechanized mailstreams, as well as the mail flows among them.

Moreover, a complex mail classification schedule and remote barcoding systems are additional factors which make managing modern processing operations increasingly difficult when compared with the simple manual methods of the past, which worked better with small volumes.

Also, the severe winter weather conditions affected mailing services and printers, causing an anomalous surge in volume growth in April-May 1994 to make up for mailing operations hindered by the weather. The third-class volume surge backed up processes which affected First-Class Mail in several plants in the Washington area.

When we offered the early retirement in 1992, many experienced craft employees took advantage of the offer, which we had not anticipated. Consequently, the lack of experienced personnel and insufficient staffing at some offices, combined with severe winter weather and heavy mail volumes caused the dip in our service performance.

I think we have dedicated employees and managers who are committed to providing high quality mail service. I think we have a good system and we just have to use it the way it was designed.

QUESTION: IN A GAO REPORT ENTITLED PROGRESS MADE IN RESTORING DETERIORATED NORTHERN VIRGINIA MAIL SERVICE, THE POSTMASTER GENERAL STATED, "YOU MAY FURTHER REST ASSURED THE SITUATION LEADING TO THE SERVICE DETERIORATION IDENTIFIED IN THE REPORT WILL NOT BE ALLOWED TO RECUR." YET HERE WE ARE AGAIN. THE ACTUAL SITUATION IS EVEN WORSE THAN IT WAS BEFORE THIS 1989 REPORT WAS DONE. WHY ARE WE HERE AGAIN? THE WASHINGTON AREA WAS SUPPOSED TO BE THE SHOWCASE FOR IMPROVEMENTS YET IT IS THE WORST AREA IN THE NATION. WHY ARE WE THE WORST?

ANSWER: I cannot provide a definitive reason why the Washington, D.C. area received the worst EXFC score. But the same factors that led to the decline in service nationally affected service in the Washington, D.C. area as well. Last December, complement ceilings were put in place in preparation for additional sorting systems and our delivery units struggled with unfilled vacancies. Our plants became reliant on a work force of hundreds of temporary employees who come and go over short periods of time. Plant managers hired temporary workers who could be let go when new automated equipment comes on line or when volume drops off. The resulting buildup of less skilled temporary employees helped undermine service quality. One major difference between 1989 and 1994 is that we now have an objective measure of performance through our contract with Price-Waterhouse and that data will help us improve service. We can study those areas with high scores as models for other areas of the country in need of improvement.

QUESTION: WHAT HAS BEEN THE INCREASE IN THE VOLUME OF MAIL IN THE NORTHERN VIRGINIA AREA?

ANSWER: The increase in mail volume delivered in Northern Virginia this fiscal year is over 11%.

QUESTION: WHAT HAS BEEN THE INCREASE IN POSTAL EMPLOYEES TO ACCOMMODATE THIS?

ANSWER: The number of employees has increased 2.5% since the beginning of the fiscal year.

QUESTION: WHAT IMPACT HAVE BUYOUTS AND STAFF CUTBACKS HAD IN THIS AREA?

ANSWER: During the early out of 1992, 296 executive/administrative schedule (EAS) employees and 217 bargaining employees retired. Since May 1992, total postal employment in Northern Virginia has risen from 6,402 to 6,971 currently. EAS positions have gone from 479 to 549. In both cases, the increase is primarily due to staffing the new Dulles Processing and Distribution Center.

QUESTION: ARE THERE MORE OR FEWER TOTAL EMPLOYEES IN THE AREA?

ANSWER: Since Northern Virginia has been growing in deliveries and volume, and with the Dulles plant activation, total postal employment has increased about 6% over the last year and a half.

QUESTION: WHAT HAS BEEN THE CHANGE IN MANAGEMENT NUMBERS?

ANSWER: EAS positions have gone from 479 to 549.

QUESTION: WHAT IS THE NUMBER OF SUPERVISORS TO EMPLOYEES WITHIN THE NORTHERN VIRGINIA AND METROPOLITAN WASHINGTON AREA? WHAT IS THE OTHER AREAS CITED FOR PROBLEMS?

ANSWER: There are about 29 employees per supervisor in the Northern Virginia district.

QUESTION: ACCORDING TO A RECENT REPORT, ONLY SIX PERCENT OF THE CONTENTS OF THE NATIONAL MAILBAG CONSISTS OF FIRST CLASS PERSONAL MAIL. IN THE LAST SIX YEARS, BUSINESS MAIL HAS DECLINED BY 10 MILLION PIECES A YEAR (THE POSTAL SERVICE FIGURES IT HAS LOST ONE-THIRD OF ITS BUSINESS MAIL A YEAR). IN ADDITION WITH COMPETITION FROM FAX MACHINES (POSTAL SERVICE ESTIMATES 43 PERCENT OF THE FAXES BEING SENT TODAY REPRESENT A DIVERSION OF THE MAIL), E-MAIL, COMPUTERS, UPS AND FEDERAL EXPRESS AND OTHER PRIVATE DELIVERY SERVICES, WHAT IS THE CONTENT OF THE POSTAL DELIVERY SYSTEM EXPECTED TO BE IN THE FUTURE?

ANSWER: Your question addresses the effect recent technological and competitive trends have had on the contents of the mailstream. First, before responding to your question, we must caution you about the nature of our data. We record and report detailed data about mail volumes by rate classifications (First Class, Priority, Parcel Post, etc.). However, knowing how many envelopes have First Class stamps on them tells us little about what is inside those envelopes. Given its business significance, we have invested in market research to better understand who uses the mail and for what purposes. In this regard, one of our best sources of information on mail usage and mail contents is the Household Diary Study (HDS), a multi-year market research study of mail originating and destinating in households. The study surveys 5,300 households a year, each of which is given an entry interview and then asked to keep a week-long record of every piece of mail received and sent by the household. Information collected includes mail class and subclass, identity of mail senders and recipients, content, attitudes toward the mail and household demographics.

Our research shows that the U.S. mailbag actually has more mail than ever. Yes, it is true that there is less personal mail than in former years, but this loss has been more than offset by gains in other areas. We now have more advertising, more invitations and announcements, more bills and financial statements and non-profit, fund raising mailings.

Although it may be true that mail going from one business to another declined slightly during the past recession, based on the most recent HDS (1992) and aggregate First Class statistics of business mail, this category has recovered. And the amount of mail sent to the individual by businesses is also growing at a healthy pace. In terms of what you can expect to see in your mailbox in the future, our forecasts indicate growth with a relatively stable mail mix and a solid future for hardcopy communications for many years to come.

QUESTION: WITH THE EXPECTED SHORTFALL OF OVER $1 BILLION AND PERHAPS EVEN $2 BILLION, WHAT IS THE INCREASE IN THE STAMP PRICE EXPECTED TO BE? WHAT IMPACT WILL THIS PRICE INCREASE HAVE ON UTILIZATION? WHAT PERCENTAGE OF MAIL WILL BE DIVERTED TO OTHER MEDIUMS?

ANSWER: Recent USPS financial trends suggest that our original budget goals are achievable. We stand firmly behind our record-low request of 10.3 percent. The 1 to 2 percent volume decline in our 1995 test year submission to the Postal Rate Commission is still appropriate, and all rate impact analyses on mail volumes contained in our submission remain intact.

QUESTION: HAVE ANY "ACTION TEAMS" OF EMPLOYEES FROM OTHER POST OFFICES BEEN UTILIZED (AS THEY WERE IN 1987) TO REMEDY THE PROBLEMS IN THE LOCAL AREA?

ANSWER: "Action teams" have not been used from outside the Northern Virginia Performance Cluster. All remedial actions have been planned and implemented by Northern Virginia people.

QUESTION: I UNDERSTAND THAT SUPERVISORS GET BONUSES BASED ON LESS OVERTIME. HOW IS THIS BONUS STANDARD HINDERING PROMPT DELIVERY OF MAIL? WOULD A STANDARD THAT GAVE BONUSES FOR ON TIME DELIVERY NUMBERS BE MORE APPROPRIATE?

ANSWER: Supervisors in Northern Virginia do not receive bonuses based on less use of overtime.

QUESTION: WE HAVE BEEN TOLD THAT WHEN WE HAVE GONE FOR VISITS AT THE MERRIFIELD OR DULLES FACILITY THAT MAIL HAS BEEN CLEARED OUT OF THE FACILITY PRIOR TO THE VISIT. IN ADDITION, EMPLOYEES TELL US THAT THEY HAVE BEEN ORDERED TO BACKDATE MAIL. HAVE SUPERVISORS BEEN DISCIPLINED FOR SUCH MATTERS? WHAT HAVE BEEN THE REPORTS YOU HAVE RECEIVED ON THIS?

ANSWER: I know of no instance when such alleged hiding of mail has occurred and it would be difficult to discern where such mail might be hidden. Mail volumes may be staged temporarily in trailers, but no deliberate attempt is made to hide mail. It appears that you may be referring to the transfer of mail from one processing plant to another, which is a regular practice used in many areas because it makes the most effective use of our resources. Staffing, the type and volume of mail and the handling capacity of a particular plant determines whether mail is shuttled from one plant to another which can process the mail more expeditiously at a particular time.

With regard to the alleged backdating of mail, such backdating would only exaggerate the delay of affected mail and it would seem unlikely that supervisors would engage in this practice to meet deadlines. I would like more information about such incidents or any other improprieties engaged in by any employee.

QUESTION: HAS THE POLICY OF FRIDAYS BEING A PRIORITY FOR CHURCH MAIL BEEN ABANDONED?

ANSWER: There is no established national policy on processing church mailings on Fridays. We do, however, try to isolate all church mailings as they are entered into our facilities to assure high quality service. If these mailings are entered at a plant they are worked with First-Class Mail for overnight delivery. If a church mailing is entered at a local Post Office and destinates within its service area, the mailing is kept at that post office and worked instead of being sent to the Merrifield or Dulles plants for processing.

QUESTION: RECENTLY WE HAVE HAD MANY CONSTITUENT REPORTS OF SOCIAL SECURITY AND GOVERNMENT CHECKS BEING CONSISTENTLY LATE. IN EARLY JULY, MY OFFICE RECEIVED INFORMATION THAT A BAG OF CHECKS WAS FOUND IN MERRIFIELD THAT SHOULD HAVE BEEN DELIVERED. CAN THESE CHECKS BE TREATED AS SPECIALIZED MAIL AND SENT TO THE LOCAL POST OFFICE IMMEDIATELY UPON RECEIPT AT THE DISTRIBUTION FACILITIES?

ANSWER: We know how important retirement checks are to our customers and we make a special effort to ensure they are delivered promptly. Such checks are presorted by the mailer and sent to the delivering post office in advance of the day of delivery. When delays occur, the problem may lie in an error by the agency in their sorting or in a problem in handling by the Postal Service.

I understand in this instance that the delayed Social Security checks were found in supposedly empty equipment about four weeks after they were to be delivered. We contacted the Social Security Administration, which asked us to deliver the checks and we did, along with letters from the respective postmasters explaining the reason for the delay.

QUESTION: THE PRESIDENT OF THE FAIRFAX FEDERATION OF CIVIL ASSOCIATIONS HAS STATED THAT NEWSLETTERS SENT TO THE WESTERN PART OF FAIRFAX COUNTY ARE CONSISTENTLY LATE. IN FACT, THEIR MEMBERS HAVE ONLY RECEIVED THEIR NEWSLETTER ON TIME ONCE THIS YEAR. WHAT CAN BE DONE TO REMEDY THIS SITUATION?

ANSWER: Postal managers nationwide are concemed about meeting third-class service objectives. We recognize the importance of third-class mail to both the mailer and the recipient. Though less time-sensitive than First-Class Mail, third-class mail often has time value and depends on reliable delivery. Depending on the distance to the delivering post office, third-class mail should be delivered between three and ten days after mailing. We cannot explain why this mail has been delayed without specific information concerning the mailing, how it was prepared, and when and where it was deposited. We would ask that the Federation contact the Northem Virginia District Consumer Affairs Office at (703) 698-6300 prior to their next mailing so that we might examine how their mail is prepared and take any steps necessary with regard to processing and delivery to ensure that the mailing is delivered expeditiously.

QUESTION: DO YOU HAVE ANY STUDIES THAT INDICATE THE ON TIME DELIVERY OF EXPRESS MAIL? WHAT PERCENTAGE OF OVERNIGHT MAIL DOES THE POSTAL SERVICE RECEIVE?

ANSWER: The Postal Service utilizes the Electronic Marketing Reporting System (EMRS) to measure the on-time performance of Express Mail. This system is used by postal employees to electronically determine the date and time when pieces are accepted into the mail Express Network, and upon delivery, the time and date of delivery to the recipient.

For Postal Quarter III, March 5 through May 27, 1994, the on-time service performance for Express Mail at the national level was 93.7%. Of the total Express Mail volume, 79% is committed for overnight delivery. The on-time performance for the overnight portion of Express Mail volumes was 93.6% last quarter.

QUESTION: PRIORITY SERVICE MAIL WHICH USED TO PROMISE TWO DAY DELIVERY FOR $2.90 HAS BEEN NOTORIOUSLY LATE AND THE AGENCY WAS ORDERED TO STOP PROMISING TWO-DAY SERVICE. WHAT IS THE STATUS OF THIS SERVICE AND WHAT ARE THE ON TIME RATES?

ANSWER: Priority Mail, which is a growing segment of postal volume, is a lower cost, less urgent alternative to Express Mail service. It is advertised as a "fast" service without reference to a specific commitment period. For Postal Quarter III, Fiscal Year 1994, 79.7% of Priority Mail was delivered within two days.

QUESTION: A 1987 POSTAL SERVICE POSTER PROCLAIMED, "THE NEW POSTAL SERVICE. WE'RE CHANGING. WE MOVE MOUNTAINS OF MAIL FOR YOU. AMAZINGLY ACCURATE. AMAZINGLY FAST...WE'RE DELIVERING THE MAIL FASTER THAN EVER." HOW MUCH AS THE POSTAL SERVICE SPENT ON THESE PROMOTIONAL ADS? GIVEN THE ACTUAL DELIVERY RATES OF THE POSTAL SERVICE ARE PROMOTIONAL ADS APPROPRIATE?

ANSWER: We do not have specific information on the promotional ad in question. Our FY 93 advertising and promotion expenditures were $85.1 million, most of which was spent on advertising for Express Mail, Priority Mail, and Parcel Post. FY 94 advertising and promotion expenditures are projected to be $70.8 million.

The Postal Service advertises for several purposes. Our advertising is designed to decrease costs through greater customer cooperation, such as promoting the use of Change of Address Kits, use of the correct ZIP Code, and the Christmas Mail Early campaigns.

Second, the advertising is designed to generate additional revenue. For example, we promote stamp collecting, which is one of the most popular hobbies in the world. Collectors purchase stamps, often in sheets, which are never used as payment for

postal services. Philatelic advertising is designed to foster interest in this hobby and consequently increase postage revenue it generates. The revenue, in turn, helps defray overall operating expenses.

Third, we advertise for the purpose of providing information designed to help our customers better use new and existing services.

We are reviewing the language of our promotional advertising in light of our current service performance.

QUESTION: MY CONSTITUENT OFFICE HAS BEEN GETTING MANY COMPLAINTS ABOUT THE DELAYS IN THE DELIVERY OF MAIL FROM THE STERLING POST OFFICE. THERE ARE MAIL ROUTES NOW WITH OVER 1,000 CUSTOMERS.

ANSWER: There was one route with more than 1,000 deliveries. That route was adjusted two months ago and is now defined as three routes.

QUESTION: I HAVE HAD REPORTS FROM CONSTITUENTS RECEIVING MAIL IN THE WESTERN PART OF THE 10TH CONGRESSIONAL DISTRICT UP TO 30 DAYS AFTER IT IS MAILED. WHAT POSSIBLE EXPLANATION IS BEHIND SUCH DELAYS?

ANSWER: Certainly, some of the delays experienced are associated with the lower service performance levels that occurred in Quarters II and III of this year. We expect our ongoing efforts to improve service performance to alleviate these problems. Should any of your constituents experience difficulty in resolving service concerns locally, either with their newsletters, church bulletins, or any other mail, I ask that they contact Northern Virginia District Consumer Affairs officials at (703) 698-6300.

QUESTION: WITH SUCH UNRELIABLE SERVICE WHAT ARE PEOPLE SUPPOSED TO DO ABOUT MORTGAGE PAYMENTS, BILLINGS AND OTHER MAILINGS IN WHICH THEY NEED SOME RELIABILITY AND LACK OF RELIABILITY IS EXTREMELY COSTLY TO MILLIONS OF AMERICANS? SHOULD SOMEONE WHO WANTS SOMETHING DELIVERED WITH RELIABILITY USE PRIVATE DELIVERY SYSTEMS?

ANSWER: No, the Postal Service traditionally has provided reliable delivery service for more than 200 years. Although our service performance over the last six months has not been exemplary, and I'm committed to improving it substantially, our service is generally reliable, and an excellent value for 29 cents. Private delivery systems charge a premium rate comparable to our Express Mail Service, which provides a service guarantee and is delivered on time 95 percent of the time. Since we began tracking First-Class Mail under contract with Price-Waterhouse, the Postal Service has met its overnight service standard 82 percent of the time. I will not be satisfied until our scores are consistently higher, and we are working toward that goal.

QUESTION: I SENSE PART OF THE PROBLEM WITH OUR POSTAL SYSTEM IS A FAILURE OF MANAGEMENT TO MANAGE. SPECIFICALLY LOCAL AND REGIONAL MANAGEMENT SEEMS INCAPABLE OF RUNNING THEIR OWN SHOPS. REPORTS OF UNPROCESSED MAIL BEING SENT FROM ONE PROCESSING CENTER TO ANOTHER SIMPLY TO AVOID OVERTIME CHARGES, FOR EXAMPLE. HOW DOES, OR HOW SHOULD, TOP POSTAL MANAGEMENT SOLVE THIS PROBLEM? WHAT NEW STEPS OR FACTORS ARE YOU PUTTING IN PLACE TO BETTER SUPERVISE AND DIRECT MIDDLE MANAGEMENT?

ANSWER: I think we have dedicated employees and managers who are committed to providing high quality mail service. I made sweeping management changes in June to improve responsiveness and to increase accountability. I named a new Chief Operating Officer and eliminated a layer of operations management at Postal Service Headquarters. I also replaced the 20 area managers with 10 vice presidents who report directly to Headquarters. These 10 vice presidents are working with Chief Operating Officer Bill Henderson to bring a new focus on service performance. If these managers identify that subsequent refinements are needed to achieve our goals, those changes can be made.

Locally we are increasing staffing throughout the Washington area and I have realigned the senior management structure to ensure service problems are fixed. As you know, I appointed Henry Pankey as Vice President of Area Operations in the Mid-Atlantic Area. Mr. Pankey is an experienced, results-oriented manager who is conducting an area-wide review to determine where staffing adjustments and other changes are needed, and he will take prompt action accordingly.

Moreover, we have the EXFC/CSI scores, the Employee Opinion Survey, with 360 degree feedback, and cluster performance objectives that give managers necessary evaluation and feedback so that they might take necessary corrective actions.

QUESTION: IS THIS REGION A VICTIM OF ITS OWN SIZE WHEN IT COMES TO LOSING RESOURCES? WHEN THE TIME COMES TO PARE BUDGETS, IT IS MORE FRUITFUL TO TAKE AWAY, FOR EXAMPLE, A PERCENT OF THE NORTHERN VIRGINIA OVERTIME ALLOTMENT, WHICH IS A RELATIVELY LARGE SUM, THAN TO GO AFTER BUDGETS OF SMALLER FACILITIES. WHEN YOU DO THIS TIME AFTER TIME, YOU NO LONGER ARE CUTTING "FAT" BUT ARE REALLY TAKING AWAY THE ABILITY TO GET THE JOB DONE. DO YOU AGREE THAT THIS IS A PROBLEM AND, IF SO, HOW DO YOU PROPOSE TO ADDRESS IT?

ANSWER: The Washington, D.C. metropolitan area, including the Northern Virginia Performance Cluster, is not tasked more severely than other smaller performance clusters or facilities within the Mid-Atlantic Area. The resources allocated to Northern Virginia provide for greater emphasis to be placed on service improvement with the resources allocated. Overtime reduction is needed in this area, however, and hiring agreements are entered into that provide for additional employees to be brought on at a one-for-one replacement ratio of new straight hours replacing overtime hours. This approach should enhance, not detract

from, their ability to perform with greater accuracy and efficiency as we have employees not being required to work 10 to 12 hours daily. I certainly would not agree that we are taking away their ability to get the job done. I would say that we are assisting in making their success more easily accomplished.

In our budgetary process, we make every effort to set a challenging, but realistic budgetary goal which factors in efficiency improvements and anticipated workload changes. In Northern Virginia, we are reviewing our staffing levels and infrastructure to match our resources to workload and customer needs.

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